Consumer Behaviour in Online Shopping

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Abstract

The Internet has developed into a new distribution channel and online transactions are rapidly increasing. This has created a need to understand how the consumer perceives online purchases.

The purpose of this dissertation was to examine if there are any particular factors that influence the online consumer. Primary data was collected through a survey that was conducted on students at the University of Kristianstad.

Price, Trust and Convenience were identified as important factors. Price was considered to be the most important factor for a majority of the students.

Furthermore, three segments were identified, *High Spenders*, *Price Easers* and *Bargain Seekers*. Through these segments we found a variation of the different factors importance and established implications for online book stores.
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1 Introduction

The introduction chapter will be explaining the purpose of our research. The research questions, limitations and a background will be presented.

1.1 Background

The invention of the Internet has created a paradigm shift of the traditional way people shop. A consumer is no longer bound to opening times or specific locations; he can become active at virtually any time and place and purchase products or services. The Internet is a relatively new medium for communication and information exchange that has become present in our everyday life. The number of Internet users is constantly increasing which also signifies that online purchasing is increasing (Joines, Scherer & Scheufele, 2003). The rapid increase is explained by the growth in the use of broadband technology combined with a change in consumer behaviour (Oppenheim & Ward, 2006).

The Internet is considered a mass medium that provides the consumer with purchase characteristics as no other medium. Certain characteristics are making it more convenient for the consumer, compared to the traditional way of shopping, such as the ability to at any time view and purchase products, visualise their needs with products, and discuss products with other consumers (Joines et al. 2003). Oppenheim and Ward (2006) explain that the current primary reason people shop over the Internet is the convenience. They also recognize that the previous primary reason for shopping online was price, which has now changed to convenience.
Online(191,169),(838,658) shopping is the process consumers go through when they decide to shop on the Internet. The Internet has developed into a “new” distribution channel (Hollensen, 2004) and the evolution of this channel, e-commerce, has been identified by Smith and Rupp (2003) to be the most significant contribution of the information revolution. Using the Internet to shop online has become one of the primary reasons to use the Internet, combined with searching for products and finding information about them (Joines et al., 2003). Smith and Rupp (2003) also state that the consumers have never had access to so many suppliers and product/service opinions. Therefore, the Internet has developed to a highly competitive market, where the competition over the consumer is fierce. In order to have an impact on and retain consumers, in a competitive market, Constantinides (2004) stated that the first step is to identify certain influencing aspects when purchasing online, these can be regarded as factors.

1.2 Problem

At any given time there are millions of people online and each of them is a potential customer for a company providing online sales. Due to the rapid development of the technologies surrounding the Internet, a company that is interested in selling products from its web site will constantly have to search for an edge in the fierce competition. Since there are so many potential consumers, it is of the out most importance to be able to understand what the consumer wants and needs.

The importance of analysing and identifying factors that influence the consumer when he or she decides to purchase on the Internet is vital. Since the Internet is a new medium for there have been new demands set by the consumer. That is why it is crucial for the online retailers to know what influences the online consumer.
Analysing consumer behaviour is not a new phenomenon. The renowned marketing expert Philip Kotler has published several works on the topic of consumer behaviour theories. These theories have been used for many years not only to understand the consumer, but also create a marketing strategy that will attract the consumer efficiently. Hence, understanding and identifying the consumer is closely related to the directions a company will take with their marketing strategy. These theories can also be applied to identify the online consumer and to create certain consumer segments. However, some distinctions must still be made when considering traditional consumer behaviour and online consumer behaviour.

Since online retailing is a new retailing medium and online consumer behaviour is diverse from traditional consumer behaviour, one must identify what influences the online consumer. Analysing the process that the online consumer goes through when deciding and making a purchase over the Internet, shows some factors that consumers consider. These factors need to be identified and taken into account by online retailers in order to satisfy consumer demands and compete in the online market. To further understand how these factors influence different types of consumers, we must identify segments which will enable us to make comparisons.

1.3 Research purpose

The purpose of this research is primarily to identify and get insight into what main factors the online consumer takes into consideration when purchasing books online, as books are the most commonly bought product on the Internet (Arbeitsgemeinschaft Online-Forschung e.V. [AGOF e.V.], 2007). Further, we will investigate if any segments can be established by identifying the consumers and how these segments relate
to the identified factors. The findings of this research will be outlined as implications for online book retailers in order to enhance their consumer knowledge and increase their online marketing strategy effectiveness.

1.4 Research questions

• What main factors affect the online consumer when considering and making a purchase over the Internet?

• How do these factors influence the consumer when purchasing books online?

• What kind of segments can be found within the identified consumers when purchasing books online?

• What is the connection with the identified factors and consumer segment groups?

1.5 Limitations

There are a number of factors influencing the online consumer. However, this research will try to identify the main factors influencing the online consumer and will, therefore, try to limit these to a few in order to be able to investigate the effect on the online consumer.

Within the field of consumer behaviour there are many theories and models that identify the consumer. This research will limit itself to identifying the consumer through his/her consumer characteristics and the consumer buying process.
Consumer behaviour differs depending on what product or service is bought. Hence, different factors are of different importance to consumers depending on the product or service. Therefore this research will limit itself to books since this is the product that is most widely bought on the Internet. We will also limit our research to students at Kristianstad University. Students are a population that frequently have buy course literature. This seemed to be the most appropriate choice considering the limitations in both time and resources.

1.6 Chapter overview

The dissertation will be structures according to the following:

Chapter 2 – Method

This chapter will illustrate the way the research has been conducted by presenting the methodologies and theories used.

Chapter 3 – Theory

This chapter presents the theories behind consumer behaviour. It will discuss online consumer behaviour in order to continue with the identification of the factors that influence consumers. The theories of consumer behaviour will also be used in order to identify consumer segments that will show whom the identified factors affect.

Chapter 4 – Empirical Research Method

This chapter will present how we have conducted our research in order to collect primary data and reach the objective of the dissertation. We will also be discussing which different types of methodologies that were used.

Chapter 5 – Results
This chapter will present and discuss the results from the questionnaire and how the collected data was distributed among the respondents.

**Chapter 6 – Analysis**

This chapter will present the analysis and conclusions of the conducted research. We will identify certain segments and analyse how the factors Price, Trust, and Convenience affect these segments.

**Chapter 7 – Conclusions**

This chapter will present the conclusions that were drawn from the analysis of the research. It will also give implications for online book retailers and discuss further research possibilities.

**1.7 Summary**

Since the rapid development of the Internet online shopping has become a new and widely used medium for retailing. Books are recognized to be the most traded merchandise and the fierce competition of attracting consumers requires online retailers to have comprehensive up-to-date information about the consumers. In order to understand the consumer the retailers need to know what influences the consumer. That is what we want to accomplish with our research.
2 Method

This chapter will illustrate the way the research has been conducted by presenting the methodologies and theories used.

2.1 Choice of methodology

We will attempt to find the main factors that influence the online consumer when making an online purchase. In order to broaden our own understanding of the subject we conducted our initial research in literature on consumer behaviour and e-commerce. We reviewed studies that had similar aims and paid particular attention to their results.

For our own research we decided that the most appropriate approach would be a questionnaire that would be filled out by students at Kristianstad University. To encourage the students not to reject the questionnaire outright, and to increase the response rate, the questionnaire should be limited to a maximum of one sheet of A4 paper.

This study started out as an exploratory study but developed into an explanatory study since we start out with first gaining knowledge about consumer behaviour to further being able to gain knowledge about online consumer behaviour. Having this knowledge we continue to identify specific factors that are of importance when the online consumer is making online purchases. This information is then used in order to find relationships and correlations between these variables.
2.2 Research Approach

There are two most commonly used research approaches, the inductive and the deductive method. The inductive research method attempts to set up a theory by using collected data, while the deductive research approach attempts to find the theory first and then test it to the observed data. We chose a deductive research approach for our study as we would move from the more general to the specific. We will present the theoretical findings on consumer behaviour in the next chapter, after which we will present our questionnaire in chapter four where we present our collected primary data.

2.3 Research Philosophy

When starting a study there must be an understanding of in which way the study will be approached. The established research philosophy explains this approach when collecting and analyzing data. The research process has three main focuses: positivism, realism, and interpretivism (Saunders, Lewis & Thornhill, 2007).

Positivism is the approach where the researcher does not want to be affected by nor affect the subject of the research. The researcher believes that the collected and analyzed data can be simplified to a law-like generalization using existing theories to develop hypotheses from these. In the realistic approach, there is a reality existing independent of the mind. Like the positivistic approach it assumes a scientific approach to the development of knowledge. The interpretive way of approaching the subject of the research does not agree with the fact that law-like generalizations can be made. Instead it stress that the human mind and the social world are too complex in order to be generalized (Saunders et al., 2007).
Our research will be conducted with a positivistic approach, since we will try to affect and interfere with the collected data as little as possible.

2.4 Research Strategy

When collecting data to approach the purpose of a research there are two ways in which the data can be collected. In order to acquire a general knowledge about the topic, secondary data is primarily used and is one of the ways by which data can be collected. The second way to collect data is the primary data collection. Usually when a study is conducted, secondary data is not sufficient enough and needs to be completed with primary data which is collected by the researcher (Christensen, 2001).

2.4.1 Secondary Data

Secondary data can be classified into three different subgroups: documentary, multiple source, and survey. Documentary second hand data comes in both written and non written form. It is the data that can be collected from sources such as journals, databases, transcripts etc. This form of data is dependent on the access the researcher has to it. Survey based secondary data is the data that is collected through the survey and is available as data table forms. Multiple source secondary data is data that has been compiled into documentary or survey form; the main characteristics of this type of data is that it has been changed into a different form before the researcher is assessing the data (Saunders et al., 2007).
We have mainly used documentary secondary data combined with multiple source data. Documentary secondary data has been the data collected through different types of research conducted within the topic, articles, and books that are written on consumer behaviour and e-commerce. This type of data has been the fundamental source for gaining knowledge within the topic in order for us to be able approach the research problem. The secondary data that we used for our research is data that has also lead to the conclusion of which factors that will be examined.

The multiple source data that we have used has been in order to choose which product we would use for our research in order to be able to find the product that is most widely bought over the Internet.

2.4.2 Primary data

Primary data for our research was collected through questionnaires. When collecting primary data one can choose to do interviews, observations, experiments, and questionnaires. Due to the purpose of our research, only the questionnaire method would be able to approach the topic and be able to collect the answers in a satisfactory manner.

In our research the primary data is mainly concerned with analyzing the respondent in order to later on classify the respondent. Further on, the primary data will be used to analyze the factors and how these are related to the respondent. The primary data is conducted in a manner to be able to approach our research and solve our research questions. The questionnaire will be explained in more detail in chapter 5, the Empirical methodology.
2.5 Summary

In order to find the factors that influence the online consumer, as we have set out to do, this study will go from an exploratory to explanatory study. This also explains the deductive approach that we chose, as we first turn to the literature in order to gain knowledge. We do not want to affect the respondents’ answers and we, therefore, perform a positivistic approach to the study. By using secondary data we attempt to find the influencing consumer factors and then continue with primary data in order investigate the influence of the factors.
3 Theory

This chapter presents the theories behind consumer behaviour. It will also discuss online consumer behaviour in order to continue with the identification of the influencing factors. The theories of consumer behaviour will be used in order to be able to find consumer segments that will show whom the identified factors affect.

3.1 Introduction

This dissertation aims at finding factors that affect the online consumer’s buying behaviour. By reading literature concerning consumer characteristics and online consumer characteristics we believe to find implications for certain factors that are of importance for the online consumer.

The Internet is a worldwide accessible series of computer networks that transmit data by packet switching using the standard Internet Protocol. It is a "network of networks" that consists of millions of smaller domestic, academic, business, and government networks, which together carry various information and services, such as electronic mail, file transfer, the interlinked Web pages and other documents of the World Wide Web. Originally the Internet was mainly used by academics, research scientists and students; however that scenario has changed as commercial organizations have moved to incorporate the World Wide Web into their promotional campaigns, and by offering the facility of online purchasing (Jobber & Fahy, 2003). The Internet has evolved into a worldwide accessible marketplace for information exchange and e-commerce. The strategic importance to be available for
consumers on the World Wide Web, with information and services has become particularly relevant to firms.

According to Vesterby and Chabert (2001) the Internet can make it easier for companies to have information about their products or services available to their customers or potential customers. A company can satisfy the consumers’ individual need of information at a low cost in comparison to sending out product brochures for example. As the user can choose information from websites, which implies that the information provider can achieve better understanding of the user’s needs and wants by collecting data. On the other hand, the Internet is a place with hardly any structure or rules: therefore, large efforts are needed in order to show the consumer where a specific site is located, and what services are available on that site. Vesterby and Chabert (2001) claim that companies with no physical presence must market themselves considerably, both online and offline, for the consumer to remember their name.

Whether it is the traditional market or the online market, the marketer must understand the consumer and how he makes his decisions and purchasing choices (Hollensen, 2004), because the consumer is under a constant flow of stimuli from the marketers advertisements. The marketer has the possibility to decide and to control the output that will be forwarded to the consumers, but when the advertisement reaches the consumer that control ends. The consumer then interprets the information that has been sent out in his own way based on specific factors for every consumer. Therefore marketers have developed different theories that can explain why consumers interpret information in a certain way, and thereby understand certain behaviours (Kotler & Armstrong, 2007). Several articles have set out to identify the characteristics of the online consumer.
Allred, Smith and Swinyard (2006) identify the online consumer to have the following characteristics: younger, wealthier, better educated, having a higher “computer literacy” and are bigger retail spenders.

Donuthou and Garcia (1999) identify the online consumer as: older, make more money, convenience seeker, innovative, impulsive, variety seeker, less risk aware, less brand and price conscious, and with a more positive attitude towards advertising and direct marketing. Some of these characteristics are similar, while others are the opposite.

Trying to identify the online consumer is difficult since the rapid development of e-commerce has also led to an increase of both technologies and different types of consumers. It is also known that the type of product has a significant influence on the online consumer behaviour which makes it more difficult to identify consumer characteristics (Christopher & Huarng, 2003). There are still some characteristics that can be identified to specify the online consumer and the following text will try to do so.

### 3.2 Consumer behaviour

Donal Rogan (2007) explains the relationship between consumer behaviour and marketing strategy. He states that “strategy is about increasing the probability and frequency of buyer behaviour. Requirements for succeeding in doing this are to know the customer and understand the consumer’s needs and wants.”

Chisnall (1995) points out that human needs and motives are inextricably linked and that the relationship between them is so very close that it becomes difficult to identify the precise difference which may characterize them. People may buy new coats because it protects
them against the weather, but their real underlying dominant need may be to follow the latest fashion trend.

*Buyers’ characteristics* are important theories from Kotler and Armstrong (2007) and it explains the way that the consumer interprets and receives stimuli from advertisements. The decisions of consumers are influenced by a number of individual characteristics that are linked to the consumer’s specific needs (Kotler & Armstrong, 2007).

### 3.2.1 Consumer characteristics

Consumer characteristics are explained by: *Cultural characteristics*, *Social characteristics*, *Personal characteristics*, and *Psychological Characteristics*. These characteristics are identified by the marketer in order to identify the consumer and to be able to decide on the strategy to what kind of consumer to target. Hence, these characteristics are used in order to segment the market and target specific consumer groups.

#### Cultural Characteristics

The *Cultural Characteristics* are recognized as the main influencer of consumer behaviour. These characteristics are developed by three features underpinning consumer behaviour: *Culture*, *Subculture*, and *Social Class*.

*Culture* is mentioned as the most basic cause of a person’s wants and needs. Kotler and Armstrong (2007) argues that human behaviour is mostly learned and that we are exposed to different sets of values and beliefs from a young age, and that these values influence our behaviour and decision making. Hence, these characteristics are interesting for marketers and important indicators of certain consumer behaviour and taste.
**Subcultures** are small group formations with a certain number of people that share values and beliefs such as nationalities, religions or geographic regions. An identified subculture can serve as an important and effective market segment which can be targeted.

**Social class** is recognized by Kotler and Armstrong (2007) as a class structure, consisting of a combination of factors which gather different types of members. Some identified factors are income, age, education, and wealth.

**Social characteristics**

The **Social Characteristics** are divided into three different categories, namely **Reference Groups, Family and Social Role and Status**.

**Reference Groups** – According to Kotler and Armstrong (2007) the effects of the **Reference Groups** is mainly based on the belief that a person’s behaviour is influenced by many small groups. When a group has a direct influence it is called a **Membership Group**, for example: family, neighbours and co-workers. **Reference Groups** are the groups to which the person often wants to belong to and to be a part of but is not. These groups indirectly and directly form a person’s behaviour and attitudes. There are three different ways by which these groups influence a person’s behaviour; they may expose a person to new behaviours and lifestyles, influence a person’s attitudes and self-concepts and also create a pressure of confirmation by **Reference Groups**. Another influence of importance is the opinion leader. An opinion leader is a person that influences others to follow his beliefs and attitudes towards certain issues, products or areas (Kotler & Armstrong, 2007).

**Family** – Family members have a great influence on the buying behaviour. The involvement and influence by different family members
varies, both to which degree but also in what way. Therefore, it is important for marketers to understand which role is played by whom in the family and direct the advertisement towards the main influencing part of the family.

**Roles and Status** – Each person belongs to different types of groups and also plays different roles whilst having different positions in the various groups. Roles are identified by Kotler and Armstrong (2007) as what activities people are expected to perform from other members of the group.

**Personal characteristics**

These personal characteristics are categorized into: *Age and Life-Cycle Stage*, *Occupation*, *Economic Situation*, *Lifestyle*, *Personality and Self-Concept*.

**The Age and Life-Cycle Stage** – These stages explain different periods in life that the consumer experiences as he goes through life. These different stages also represent different changes that the consumer may experience when reaching a new stage. According to Kotler and Armstrong (2007) marketers, therefore, define their target markets in terms of the different stages in order to develop appropriate marketing plans.

**Occupation** – The occupation tends to have an effect on the products and services bought by the consumers. This leads to the possibility of developing different types of products or services that suits interests identified to be above average within an occupation.

**The Economic Situation** – Wealth will affect a consumer’s product choice. A consumer may be price-sensitive or not depending on the level of income, level of savings, level of interest rates, and also the product or service itself.
**Lifestyle** – This is identified to be a person’s way of living which is recognized by the activities, interest, or opinions he or she has and it also explains the way a consumer interacts in the world.

**Personality** – This is mainly explained by the terms self-confidence, dominance, sociability, autonomy, defensiveness, adaptability and aggressiveness. These psychological factors are a result of one’s environment. Personality can be defined as a dynamic and organized set of characteristics possessed by a person that uniquely influences his or her cognitions, motivations, and behaviours in various situations (Ryckman, 2004).

**Self-concept or Self Image** – Is the conceptual understanding that people’s possessions reflect their personalities. This concept does bring some conflict since people may have an image that satisfies who they are but does not agree with who they want to be (the ideal self concept), the question then arises which one we would want to satisfy.

**Psychological Characteristics**

The psychological characteristics are divided into the following concepts: Motivation, Perception, Learning, and Beliefs and Attitudes.

**Motivation** – Motivation refers to a person needs that must be satisfied. These needs are of different kind; some are biological, such as hunger, thirst and discomfort, and some are psychological such as the need for recognition, esteem and belonging. Needs are not satisfied until they reach a certain point of intensity and become a motive for the consumer to satisfy them. Kotler and Armstrong (2007) discusses several motivation theories, among them are Freud’s and Maslow’s theories of motivation. Freud argued that a person does not really and fully understand his or her motivations. Maslow on the other hand wanted to understand why some people set out to satisfy some needs before others.
He then came to the conclusion that human needs are arranged in a hierarchy from the most pressing to the least pressing, as Kotler and Armstrong (2007) explains it. These needs are listed as psychological needs, safety needs, social needs, esteem needs, and self-actualization needs. When one need has been satisfied, a person moves on to satisfy the next.

**Perception** – This characteristic is based on the understanding of how differently we perceive the same situation or the same stimuli. Kotler and Armstrong (2007) explains perception as the process by which people select, organize, and interpret information. There are three different processes that decide how we interpret certain information. These are *Selective Attention, Selective Distortion, and Selective Retention*.

**Learning** – Learning is, according to Kotler and Armstrong (2007), an act that changes people’s behaviour because of their experience. It occurs through *drives*: strong internal wants that call for action, *stimuli*: object that drives for certain action, *cues*: small stimuli that determinate when, where and how the person will respond and *reinforcement*: when the response and stimuli towards an object is experienced more than once.

**Beliefs and Attitudes** – These are acquired by people through learning and experiencing. They influence the buying behaviour by making up brands and product images in the consumer’s heads. A belief is explained by Kotler and Armstrong (2007) as a descriptive thought about something and is based on real knowledge, opinions or faith. Beliefs can also be emotionally charged. Attitudes are described as a person’s evaluations, feelings, and tendencies towards something, but also determinations of people such as like and dislikes.
3.2.2 Online Consumer Characteristics

More specific identifications of the online consumer need to be made in order to understand the online purchase behaviour. The identified characteristics are some key characteristics in regard to the online consumer. These key characteristics were made in order to identify online consumers and to be able to segment them.

Cultural Online Characteristics

Smith and Rupp (2003) identify that the difference in social class creates a difference in purchasing Online Behaviour. Consumers from a higher social class generally purchase more and have a higher intention to purchase online because there is a higher probability that they possess a computer and also have greater access to the Internet. Consumers from lower social classes would not have the same properties. The authors also point out that consumers with lower social class, and thereby not having the same properties, would not have the needed computer literacy to be able to leverage a computer.

Social Online characteristics

The social influence on the online consumer comes from new Reference Groups compared to the traditional way. For the online consumer new Reference Groups were identified as virtual communities, consisting of discussion groups on a web site. The consumer can read about other people’s experiences and opinions which have shown to have the effect of Reference Groups (Christopher & Huarng, 2003). Other Reference Groups, which are identified by Christopher and Huarng (2003), are links to product related web sites, which encourages product selection and contact information.
**Personal Online characteristics**

Monsuwé, Dellaert and Ruyter (2004) explored the personal online consumer characteristics and concluded that income has a vital role for online purchasing behaviour. The authors discussed Lohse et al. (2000) who pointed out that consumers with higher household income would have a more positive attitude towards online shopping. This conclusion was explained by the fact that households with higher income would have a positive correlation with the possession of a computer, Internet access, and higher education.

Smith and Rupp (2003) also identified the age factor as a determinant for online purchase intentions. They argued that older people who had no frequent interactions with the Internet and the computer would not use the Internet as a medium for purchases, while young adults would. This was concluded by that the young adults used the Internet and computers more frequently. Younger people were also identified to have more technical knowledge. Monsuwé et al. (2004) also supported this judgement by concluding that younger adults usually have greater interest in using new technologies to browse for information and evaluate alternatives.

**Psychological Online Characteristics**

Smith and Rupp (2003) identified the psychological characteristics of consumer behaviour as questions the online consumer would ask himself before making a purchase online.

*Motivation* – The consumers is reasoning for incentives to engage in a particular behaviour. He may ask himself questions like: should I look around for better price? If online shopping saves me time, should I shop online more often? How much do I really need this product?
Perception – The consumer is interpreting acquired information by classing it. Questions such as the following may come about: I feel that this site seems pretty secure. It seems that this site has a good product but how can I be sure?

Personality – The consumer is adapting to influences of his cognitions. He may ask himself, what types of Web sites are best suited for his personal buying preferences.

Attitude – The consumer is working out what his likes and dislikes are in respect to a particular situation. He may ask himself: I am pretty unsure about extra costs, should I really be buying items from the Internet? If I do not buy the item online, how else can I get it?

Emotions – The consumer is without conscious effort detecting how he is being affected by his cognitive choice. He may ask himself: The last time I ordered from the Internet I had a really bad experience. Should I try buying online again? What is the future of buying online? If Web sites get better should I invest more time in buying online?

3.3 Specific Consumer Traits and Online Behaviour

The online consumer’s characteristics that we have identified to be the most important ones to have an effect on the online consumer, will be referred to as specific Consumer Traits and how the consumer uses the Internet will be referred to as Online Behaviour.

The online consumer characteristics such as personal, social, and psychological characteristics, need to be identified in order to understand what is important for the online consumer. These characteristics reveal the consumers’ lifestyle and identify who the consumer is and what attitudes he has towards online shopping.
Therefore, we will be using the following characteristics to segment the online consumer, by analysing:

- The consumer’s demographics, as Bergman et al. (2005).
- Life patterns concerning Online Behaviour, such as how much the consumer uses the Internet, Webographics, as Bergman et al. (2005).
- For what purposes, Internet Usage, also as Bergman et al. (2005).
- How much the online consumer shops online, Online Shopping Patterns, can be used in order to find out what impact certain factors have on different type of consumers (Bergman et al. 2004).
- Prior experiences have also been identified to be relevant for what Beliefs and Attitudes the consumer has towards online shopping and are therefore also important for the research (Monsuwé et al. 2004).
- Social influences have an effect on the consumer in the early decision making stage and these were referred to as Reference Groups (Christopher & Huarng 2003).

These are the consumer characteristics that are relevant for this research and need to be identified in order to find out who the online consumer is and what affects him when shopping online. These we will be referred to as Consumer Traits and Online Behaviour.

To summarise the prior text and to answer the question what identifies an Online Consumer, one can draw the conclusion that for this research the important consumer characteristics that need to be identified are:
Figure 3-1 below, shows how online consumer segments are subdivided.
The outline below is an attempt to more closely identify the different influencing factors and their connection to the online purchase behaviour.

## 3.4 Important Influencing Factors

When processing the previous literature in order to find what *Specific Consumer Traits* and *Online Behaviour* that need to be identified, we gained knowledge of which factors that were highly important for the online consumer.

Brengman, Geuenes, Weijters, Smith and Swinyard (2005) segment online consumers through first identifying the Internet usage lifestyle of every consumer; they believe that the Internet experience is highly relevant for the identification of the online consumer. Lifestyle is, as presented above, a describing group of consumers’ personal characteristics and is expressed as a person’s demographics. These living patterns show what opinions and interests a consumer has for certain products, for what reasons and which interest they have in the Internet, the Internet usage. The study came to the conclusion that four segment groups could be conceptualized and these would categorise the online consumers according to their shopping behaviour. The different attributes, that explain these segments, show that the factors *Price*, *Trust* and *Convenience* are highly relevant influencers on the online consumer shopping behaviour (Brengman *et al.*, 2005).

Monsuwé *et al.* (2004) created a framework through their study that would help the understanding of consumer’s attitudes towards online shopping. Attitudes and beliefs are separated from consumer’s psychological characteristics and mainly determined by learning and prior experiences. Further, Bellenger points out that the ability to
conduct price comparisons has been cited as a major reason why consumers use the Internet (Wallace, 1995). Price sensitive shoppers are essentially concerned with buying products at the lowest price or getting the best value for the money they spend (Bellenger, 1980).

Monsuwé et al. (2004) made a comparison of the traditional way of shopping and online shopping and that the comparison indicated that online shopping is a more convenient way of shopping compared to the traditional ones. This was mainly concluded on the fact that the Internet allows for more information to be gathered with a minimal amount of effort, inconvenience, and invested time by the consumer. With this conclusion, the authors show that the convenient factor is indeed relevant for the identification of the online consumer (Monsuwé et al. 2004).

The factors that affected the identified segments and that were relevant for the framework were: consumer traits, product characteristics, previous online shopping experience, situational factors, and trust in online shopping. Consumer trust in online shopping and prior experience with online shopping were identified to have a significant impact on a consumer's intention to shop online. Prior experience with positive outcome is also identified to decrease a consumer's risk perception with online shopping. As presented above, Smith and Rupp (2003) identified the psychological characteristics of an online consumer through questions a consumer would ask himself. The factors trust, security, and prior experiences are present and they are highly relevant for the online consumer. Here the factor trust is recognised as important, which is highly connected with prior experience and expectations of online shopping.

Smith and Rupp (2003) discusses and identifies factors in their work that influences the online consumer behaviour. These were identified as marketing efforts, socio-cultural influences, psychological factors,
experience, purchase and post-purchase decisions. The authors plot a model which would explain the different stages that consumers go through when making a purchase decision online. They start out with identifying the first stage as the input stage where the consumer is influenced by the marketing efforts made by the media and the socio-cultural influences. The second stage is identified as the process stage, which attempts to identify and explain how the consumer makes the buying decision online. In this stage they identify that the convenience factor is one of the main determinants for the consumer’s intention to shop online. They also show that the consumer is affected by psychological factors, such as perception, motivation, personality, attitude, and emotion. The identification indicated that trust and security factors are a major influence for the consumers when considering a potential purchase.

Due to the importance of making the consumer feel safe and comfortable, the authors argue that information regarding security must be mediated to the consumer in such a way that the perceived security is increased. The last stage is identified as the output stage, which is a post-purchase decision process. The article clearly states that that Trust and Convenience are major influencers to consumer online shopping behaviour, even though they are influencing the decision making process (Smith & Rupp, 2003).

There have been many attempts to identify and segment the online consumer through various studies. By reading different studies we have identified certain factors that were constantly present in the literature. There are many factors that have an impact on the online purchase behaviour, but we have identified Price, Trust and Convenience to be very important and will put our attention to these three factors.
3.3.1 Identified Factors affecting Online Consumer Behaviour

*Price* which is a part of the marketing mix is a factor used in order to stimulate the consumer and is also a communicator, bargain tool, and a competitive weapon. The consumer can use price as a mean of comparing products, judge relative value for money, and judge product quality (Brassington & Pettitt, 2000).

The factor *Trust* is considered to be a concern on the emotional basis in the minds of the consumers. The consumers have a focus on their safety needs and want to satisfy them before making a purchase (Brassington & Pettitt, 2000).

The factor *Convenience* is considered to be a benefit in the eyes of the consumer and a quality derived from purchasing over the Internet. It is therefore considered to be a motivator and a benefit to consumers. (Constantinides, 2004)

We believe that these factors have a significant influence on the consumer when purchasing online. To further analyse the factors, we study underlying attributes that represent what way the factors affect the consumers.

**The Factor Price**

The Internet has become a global marketplace on which consumers can gather and compare information such as product information and prices. The technologies and innovative business ideas of the Internet allow sellers to discriminate between buyers and buyers to discriminate between vendors. Historically, however, prices have been set by negotiations after having examined the product (Kotler & Keller, 2006). The Internet facilitates the scenario that comparisons can be achieved with ease, overlooking several digital attributes (which can be
communicated through the web) and possibilities with several different vendors simultaneously. On the Internet it is after all the price comparison prospect that interests price sensitive consumers, whilst another category of consumers focuses on finding unique products with specialized features that might be difficult to find offline and who, therefore, perhaps even consider the price as secondary.

However, when online, only digital attributes can be evaluated by the consumer, while offline non-digital attributes (for which physical inspection of the product is necessary) can be tested (Lal & Sarvary, 1999). This could even influence impulsive shoppers to become more cautious about the product as it can only be inspected digitally. Furthermore, when buying online, additional costs such as freight charges, customs or prolonged delivery times can influence the online consumer’s decision to reconsider the transaction even though the price is low. Table 3.1 clarifies the fact that the factor price has two attributes, saving money and price comparison.

Table 3.1 – The Factor Price and its Attributes.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>Saving Money</td>
</tr>
<tr>
<td></td>
<td>Comparing Price</td>
</tr>
</tbody>
</table>

The Factor Trust

Monsuwé et al. (2004) conclude that because the Internet is a relatively new way of shopping, it is challenging for the consumers and therefore perceived by the consumer as risky. They further identify the salesperson to be a silent source of trust for the consumer, and that the consumer is dependent on the salespersons’ expertise. But since the salesperson has been removed in online shopping, the authors argue that the basis of consumer trust has disappeared. They further explain that
the consumer is not able to check the quality of an item, nor is he able to monitor the safety of the security when revealing personal data. The authors, therefore, conclude that if a high level of security and privacy is communicated to the consumer the result would have a positive effect on consumer trust and the intention to buy online.

According to Luhmann (1979) who has a sociological point of view on the theory of trust, there are three modes of maintaining expectations about the future, familiarity, confidence and trust. To experience trust, familiarity and confidence must have been established. However, trust is only necessary when there is a high perceived risk, such as during a purchase transaction or a similar action.

The consumer’s previous experience and trust in the computerized medium is likely to affect his amount of trust in online shopping (Lee & Turban, 2001). According to Lee and Moray (as cited in Lee & Turban, 2001) human trust in computerised systems depends on three factors:

1. **The perceived technical competence of the system** - The system’s apparent ability to perform assigned tasks.

2. **The perceived performance level of the system** - How fast and reliable it appears to be able to finish the tasks.

3. **The human operators understand of the underlying characteristics and processes governing the system’s behaviour.**

Previous knowledge also affects trust. Luhmann (1993) states that, “Practical experience tends to teach us the opposite: the more we know, the better we know what we do not know, and the more elaborate our risk awareness becomes” (p. 28).

Turban et al. (2001) constructed a model that highlights what trust is constituted from when purchasing on the Internet. According to figure 3.2 which is a scaled version based on “A Trust Model for Consumer
trust is dependent on the six variables

A company must show the consumer that it is competent in managing information and supporting the consumer after a purchase is done. If that can be achieved, the consumer is more likely to "engage in trust-related Internet behaviours like purchasing, cooperating, and sharing information" (McKnight & Chervany, 2001-2002). Table 3.2 shows the factor Trust and its attributes.

Table 3.2 – The Factor Trust and its Attributes

<table>
<thead>
<tr>
<th>Factor</th>
<th>Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Perception of safety</td>
</tr>
<tr>
<td></td>
<td>Trust in the Internet Retailer</td>
</tr>
<tr>
<td></td>
<td>Trust in the Internet as retail shopping</td>
</tr>
</tbody>
</table>
The Factor Convenience

Convenience is anything that is intended to save time and frustration according to the Swedish National Encyclopaedia. Further definitions of the concept of convenience are:

- *The quality of being suitable to ones comfort, purpose or needs*
- *Personal comfort or advantage*
- *Something that increases comfort or saves work at a suitable or agreeable time* (Lexico Publishing Group [LLC], 2007)

Online shopping as a new medium for retailing creates a number of different advantages. One of these is that it is considered to be more convenient to shop online compared to the traditional way of shopping. The convenience attributes that online shopping provides are:

- **Less effort:**
  - *Being able to shop at home*
- **Time saving**
- *Being able to shop at any time of the day*

Azjen (as cited in Kim & Park, 1991) claims that online shopping provides convenience for consumers such as time savings and search convenience if compared to the traditional way of shopping.

Kim and Park (1991) also argue that if online shopping is to be perceived as convenient for the consumer, the consumer must perceive a certain amount of easiness with accessing the Internet and also with carrying out the behaviour with shopping online. The less complexity the consumer perceives with accessing the Internet the more attention the consumer has to enter the Internet and search for information.
Further, the authors found that there is a positive relationship between the time spent, the intention to shop online and the attitude towards the Internet. Therefore, Kim and Park (1991) came to the conclusion that the consumers that found the Internet to be easily accessible and used, would spend more time online and search for information and also shop more online. Hence, the consumers that perceives Internet information search as easy, would perceive it more convenient. They also conclude that the information online should be easy to find and, therefore, the consumer should develop effective search tools which would enhance the perceived behavioural control for the consumer online. Kim and Park (1991) argue that the perceived easiness of the Internet is one of the determinants consumers regard when deciding on convenience.

Saving time is also mentioned by Kim and Park (1991), and it is closely related to information search. The consumer is not required to leave his home in order to shop online and at the same time the information search and price comparison process is much more available and easy to access.

Swaminathan et al. (1999) states that consumer characteristics play an important role in the consumer's decision to shop online. The authors then identify the so called convenient oriented consumer as the most potential online buyer since they value the convenience of shopping at home as a large motive for purchase.

The characteristics of convenience with online shopping can be summarized as follows:

Consumers can shop from their homes meaning they do not have to take certain aspects, needed when shopping in the traditional way, into consideration. Online shopping is, therefore, considered to require less effort. It is also considered to be time saving, the consumer can search for products and prices easy through the developed search engines. Through tracking devices a consumer can at any time check where their
package is. Another time aspect of online shopping is that it allows the consumer to shop at any time of the day, the consumer does not need to consider if the stores are open or not. Table 3.3 shows the factor Convenience and its attributes.

**Table 3.3 - The Factor Convenience with Attributes.**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience</td>
<td>Saving Time</td>
</tr>
<tr>
<td></td>
<td>Less Effort</td>
</tr>
<tr>
<td></td>
<td>Shopping at any time</td>
</tr>
</tbody>
</table>

### 3.4 Summary

By first examining consumer behaviour theories we have investigated what identifies the consumer and the processes that the consumer goes through before making a purchase. This has been applied to gain understanding of the online consumer buying behaviour and has then been used in order to find which characteristics that are relevant to identify and segment the online consumer. These have been identified as Consumer Traits and Online Behaviour and are listed below along with the respective sub segments:

**Consumer Traits:**
- Demographics
- Attitude and Beliefs
- Impact of Reference Groups

**Online Behaviour:**
- Webographics
- Online Shopping Patterns
- Internet Usage
Furthermore, we have pointed out certain factors that we believe are important for the online consumer when shopping online through the literature overview. These factors have been identified as Price, Trust and Convenience through the literature. In order to comprehend how the identified factors influence the online consumer we must first identify the online consumer. This identification needs to be done mainly through the relevant Consumer Traits and online consumer behaviour that have been identified earlier.

![Diagram showing the influencing factors effect on Online Consumer Segments](image)

**Figure 3.3 – The influencing Factors’ effect on Online Consumer Segments**

We can then understand the relevance and impact of the factors for the all the respondents. By gaining understanding and being able to segment online consumers we can see the relevance and impact of certain factors for specific groups. Figure 3.3 explains that Online Consumer Segments will be developed through how the respondents answered questions that involved Consumer Traits and Online Behaviour. The defined segments will be compared according to how the respondents in each segment answers the questions involving Price, Trust and Convenience. Finally, implications for online book stores will be drawn from these results.
4 Empirical Research Method

In this chapter we will present how we will conduct our research in order to collect primary data and reach the objective of the dissertation. We will also be discussing which different types of methodologies that were used.

Since our research is of deductive character our primary intention was to collect secondary data and analyse it. By doing so we found the factors Price, Trust and Convenience. We then collected primary data through a survey. The main purpose of the survey was to collect data about Online Consumer Behaviour and the significance of the established factors, Price, Trust, and Convenience.

In order to be able to find and establish Online Consumer Segments, Consumer Traits and Online Behaviour had to be identified. The segments were used in order to further identify what impact the factors Price, Trust, and Convenience have on Online Consumer Segments.

4.1 Segments

A segment is a subgroup of people that share the one or more characteristics and these segments have similarities such as that they share behavioural features or have similar needs. These similarities make a specific segment homogenous in their needs and attitudes. Different types of variables can be used in order to segment a market and one of the requirements was that it needed to be measurable.

We will be using the identified Consumer Traits and Online Behaviour variables to segment the online consumers at the University of Kristianstad.
4.2 Sample

The factors that we intended to examine can be applied to and investigated at any population that uses the Internet and buys books online. Since there are time and resource restraints, a specific population had to be identified in order to generalise and create relevant segments. We decided that the sample size should contain over 200 respondents and we collected answers from 226 respondents.

4.3 Non Probability, Convenience Sampling

The population for this research are university students at the University of Kristianstad. The university was chosen on a convenience basis.

Convenience sampling involves using samples that are the easiest to obtain and is continued until the sampling size that is need is reached. The bias with the convenience sampling is that it is hard to generalize to the wanted population (Saunders et al., 2007).

We will attempt to collect as many respondents as possible but since we will be studying students we assume that there will be little variation in the population making it more approved to generalize the response rates. The sampling method for students took also place on a convenience basis since the students that agree to answer the questionnaire are those that were chosen.

4.4 The Questionnaire

In order to create the questionnaire we started out by deciding on the main variables that needed to be investigated. These were:
For the questionnaire, which was self-administrated, we used the Delivery and collection questionnaire method. This method was mainly used because of the limitations in time and available resources. The delivery and collection questionnaire was handed out to classes at the University of Kristianstad. This was done in order to ensure that a valid number of respondents were collected so that analysis could be made and conclusions drawn. This method was conducted at the University of Kristianstad because it is the University we are attending and the convenience factor had a great implication towards this choice.

Different types of questions were set in order to be able to collect the information that was needed concerning the different topics. The examined variables were of different types. They were opinions, behaviour, and attributes.

Opinions are used to understand how a respondent feels about something, behaviour attributes are used to record what the respondent does, and attributes shows what the respondent possesses (Saunders et al., 2007). In order to collect the correct data, we needed to ask questions with suited alternatives that were adjusted to the type of the variable that needed to be examined. In our questionnaire we were only using closed questions that were of the list, category, ranking, quantity, and rating type. The Fishbein Model, which we used to find the overall attitudes of the respondent, also required questions to be set in a certain way in order to compare the results and collect the right kind of data.

All rating questions used a seven-point Likert-style rating scale. In order to determine the underlying attitudes for Price, Trust, and Convenience we used the bipolar semantic differential rating, on a
seven-point scale. The values of the semantic differential rating scale are described by opposite adjectives designed to anchor the respondent’s attitudes towards trust. The semantic differential rating scale was later translated from 1-7 to set a new value range of -3 to +3 for our analysis. The obtained values were then being multiplied to obtain one final overall value, ranging from -9 to +9, for each question by using the semantic differential rating system.

The first questions (1.1 to 1.4) of the research were primarily used to explain the Demographics of the respondent and were designed as background questions. These questions acted as category with one quantity question. The quantity question (1.2) allowed the respondent to list their age. The category questions (1.1, 1.3, and 1.4) were used to categorize the respondents after their: gender, semester, and income respectively. The category questions gave us the ability to form different segments of the respondents.

The next section of the questionnaire was Webographics, combined with Internet Usage. This section covered the questions 2.1 and 2.2. These were category, rank, as well as rate questions and were used to further develop and describe the segments. The category question (2.1) was intended to reveal how much the respondent used the Internet. The rank question (2.2) was used to see for what reasons the respondent used the Internet. Through these questions we could develop the respondent segments according to the way that they used the Internet, giving the segments the Internet Usage characteristics.

The following section, Online Book Shopping Patterns, identifies through question 3.1 if there is a physical need to shop for books online because of there is a lack of a physical bookstore. This question is a categorization questions which will allow us to find out if the respondent is more or less forced to shop for books online. It is vital to identify this since the consumer is affected by this fact in manners that
might affect the factors that we have identified as the main influencers. The question had to be asked in order to eliminate the error that might arise if there no classification had been made between the cities where the respondent lives and where he/she studies. It is fairly common in Sweden that students study in another city than their hometown. Question 3.2 was used in order to find out how much the consumer spends in average when shopping for books online.

*Attitude towards online shopping* is the next section and it reveals the consumer’s belief and experience with shopping for books. These are rating questions (4.1 to 4.2) are needed to reveal what kind of attitude the respondent has towards shopping for books online. Attitude towards something is primarily developed through prior experiences and they also determine the future belief towards or the intention to perform a certain action, such as online shopping for books. We therefore believe that there will be a clear connection between the answers to these questions and we also anticipate finding a clear connection with patterns concerning online book shopping.

The following section concerning Social Characteristics was focused on discovering which *Reference Groups* are important for the respondent and for what kind of respondent. The different *Reference Groups* are identified as family, friends, and online discussion groups. The questions (5.1 to 5.3) are rating questions. Through the rating question we analysed how important a certain type of *Reference Group* is for the respondent when making a purchase decision for books online.

The last section of the questionnaire was among the most significant for this study. This section concerns the *Identified Factors* and is, therefore, divided into three main parts, *Price, Trust, and Convenience*. The respondent was firstly asked, through question 6.1, to rank the three different factors by importance according to when undertaking an online book purchase. The question was designed to give direct
implications on which factor the respondent considers to be as the most important, second and least important. The question also allowed the respondent to have this in mind while answering the next set of questions. The following questions were then further focused on the factors and concerned the different attributes constitute the different factors. The factors will be analysed through the Fishbein Model and were therefore developed in order to be able to apply the model. The questions are concentrating on first understanding the respondents believes and attitudes towards an action or statement and thereafter ranking the importance of this action and statement.

The first factor was Price and there were two rating questions (6.2) concerning whether the respondent felt that online book shopping would save money. These questions gave us implications on how important it is for the respondent to save money by shopping for books online and to what degree he believes that it does. The last question in this section (6.3) was used to find out to what degree the respondent uses book price comparison sites before making a purchase. This is somewhat involved with finding out the respondent’s involvement with book purchases and his price awareness.

The next factor analysed was Trust with its three main attributes. Question 7.1 concerned the respondents trust within regulators on the Internet business, such as user policies, transaction regulations and laws for the protection of the consumers’ privacy and security. The second attribute, Trust in the Internet as Retailing Channel, was measured through question 7.2 and the third attribute, Trust in Internet Merchants was measured through question 7.3. For these questions the respondent beliefs and attitude were measured through a rating scale and developed in order to fit into the Fishbein Model.

The last part of this section concerned the Convenience factor. Here were three attributes making up the Convenience factor and these were
whether the respondent felt that purchasing books online was involving less effort compared to the traditional way of purchasing books, saving time, and being able to purchase at any time. The questions (8.1 to 8.3) were constructed in the same manner as the former (7.1 – 7.3) in order to be measured with the Fishbein Model.

We pre-coded the answers to the questionnaire in order to be able ease the process of analysing the collected data in SPSS to analyse it.

A pilot test was conducted in order to find errors in the questionnaire and have the opportunity to correct these before conducting the research itself. The pilot test was conducted with 40 people, and errors were removed after the pilot test.

4.5 **The Fishbein Model**

The Fishbein Model is used in this research to measure the factors *Price*, *Trust*, and *Convenience*. The results from the measurement were used to find relationships within the segments that we found by conducting our research.

The Fishbein Model is widely used within Marketing Research in order to investigate the attitudes and beliefs towards certain matters. The difficulty that arises when investigating these matters is how to find the overall attitude. The Fishbein model is developed so that it shows a person’s overall attitude which is derived from a person’s beliefs and feelings. A consumer holds many individual beliefs, making it hard to identify the overall attitude. The Fishbein Model is developed in a way which separates attributes that constitutes a certain matter, and investigates them one by one. The feelings and beliefs towards the attributes are then generalized in the overall attitude that the consumer holds. Hence, the Fishbein Model can be used to separately analyse the
attributes as well as the overall attitude that is constituted by several attributes. This is one of the reasons to why the Fishbein Model also is called *The Multi-Attribute Model*.  
(www.larsperner.com/teaching_materials.htm)

The model works in the way that it attempts to summarise the overall attitudes into one score by using the equation:

\[ A_b = \sum_{i=1}^{n} W_i X_{ib} \]

The Importance \( (W_i) \) is measured by using a rating scale and then this weight is multiplied with the Belief \( (X_{ib}) \), also measured with the same rating scale for the same attribute. All the scores for the different attributes are then added up to one score which sets the overall score for the matter and represents the overall attitude \( (A_b) \) towards the matter.  
(Shwu-Ing Wu, 2003)

To clearly show how the Fishbein model works we will present an example:

*Example of the questions formation and rating:*

**How does coffee taste?**

<table>
<thead>
<tr>
<th>Rating scale</th>
<th>Calculating scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad 1 2 3 4 5 6 7 Good</td>
<td>(-3) (-2) (-1) (0) (1) (2) (3)</td>
</tr>
</tbody>
</table>

**How important is taste of a beverage?**

<table>
<thead>
<tr>
<th>Rating scale</th>
<th>Calculating scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not highly important 1 2 3 4 5 6 7 important</td>
<td>(-3) (-2) (-1) (0) (1) (2) (3)</td>
</tr>
</tbody>
</table>

The scale 1 to 7 is presented to the respondents but then converted when we calculate the values, as shown above. This is done in the Fishbein model in order to clearly show the negative attitude an attribute contributes to.
In this example consumer believes that coffee tastes fairly bad, or a 3 on the scale from 1 to 7. He or she also believes that the importance of the taste of a beverage is highly important, or 6 on a scale from 1 to 7. These believe are then converted to the values that we calculate with, in this case the 2 and respectively -1. The score for this attribute would then be 2(-1) = -2. Of course there are several attributes that constitutes the overall believe towards a matter, which are then summarised into one value. In this case coffee can be regarded as the matter and if this was to be the only attribute the overall believe would be rated as -2.

In order to make this model suitable for our research we need to make some alternations. The model required that we used the same rating numbers for attributes for the matters in order for it to work. We had defined which attributes that make up the factors Price, Trust and Convenience, however, the rating of these attributes did not match which would then give us misleading results. In order to obtain matching results we would then divide the overall scores with the rating for attributes that we have defined for each factor.

4.6 Reliability

Reliability is the extent to which data collection techniques yield consistent findings, similar observations would be made by other researchers and if there is transparency in how sense was made from raw data (Saunders et al., 2007). Reliability implies the ability of a survey to resist random errors. According to Robson (as cited in Saunders et al., 2007) there may be four threats to reliability:

- Subject/Participant error: This can occur when the respondent is on a “high”, for example prior to the weekend. The opinions transmitted during this period could be overly positive, and vice
versa if it is a Monday morning, when the respondent is likely to be
on a “low”.

- Subject/Participant bias: This occurs for example when the
  respondent is answering as they think their boss would want them to
  answer, instead of answering with their own mindset, fearing any
  consequences that might fall upon them if they fail to answer
  correctly according to their boss.

- Observer error: This is when the observer is not collecting data as
  intended, and thus errors in the final research are likely.

- Observer bias: When the observer is interpreting an answer with the
  help of his own beliefs and values, the registered answer will be
  biased, and thus not represent the true answer given from the
  respondent.

These threats can however be reduced. A highly structured
questionnaire will make the observer error almost nonexistent.
Guaranteeing anonymity will make a respondent more inclined to
answer truthfully, since he will not be held accountable for any answer,
thus minimizing the bias. Finally, the subject and participant error can
be reduced simply by choosing a neutral day to conduct the survey,
such as a Tuesday for example.

4.7 Validity

Validity is the extent to which the data collection method or methods
accurately measure what they were intended to measure (Saunders et
al., 2007). When a quantitative research results in a measured value that
corresponds with the real value, then the research is considered to be
completely valid. In that case one has measured what was intended with
perfect precision (Christensen et al. 2001). The biggest task is to create
clear and non-ambiguous questions that can be interpreted indisputable and provide us with the right information for our purpose. However, there is no guarantee that the respondents interpret the questions definitely, yet we have to assume they will and do consider the benefit of doubt.

### 4.8 Generalisability

This term refers to how generalisable the results of a research are, and whether the findings can be applicable to other research settings (Saunders et al., 2007). Due to our decision to focus on students, and since this group only represents a small part of the Swedish population, the results would only be generalisable, if generalisable at all, to students.
5 Results

In this chapter the results from the questionnaire and how the collected data is distributed among the respondents is presented and discussed.

5.1 Introduction

The questionnaire was designed to collect primary data in order to find firsthand information on how the respondents value the importance of price, trust, and convenience when making book purchases over the Internet. The questionnaire was designed to, first, collect data that would be used to find segments among the respondents, and second, to collect data about the factors price, trust, and convenience. The questions in the questionnaire were based on the findings from the literature. Questions which were designed to collect data to find respondent segments were derived from the findings within consumer behaviour. Questions about the factors price, trust, and convenience were derived from the literature found about the factors when purchasing online. The questions were designed in order to find the overall belief about the factors and therefore designed to suit the Fishbein Model. We handed out the questionnaire at the University of Kristianstad and chose certain classes in order to make sure not to collect data from the same respondent more than once. We decided that the sample size should be over 200 respondents and we collected 226 respondents. In order to analyze the collected data we used the software program SPSS. The following will present and discuss the results from the questionnaire.
5.2 Questionnaire – Collected data

5.2.1 Online Consumer Traits

Demographics

Questions 1.1, 1.2, 1.3, and 1.4

These questions were used in order to establish the consumer demographics. They were used to find out the respondents gender, age, semester at the University, and income.

Gender

Gender was included in the survey in order to find out if there is a difference between men and women concerning the beliefs towards the factors. The following table will show the distribution of the male and female respondents that were included in the survey.

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>80</td>
<td>35.4</td>
<td>35.4</td>
</tr>
<tr>
<td>Female</td>
<td>146</td>
<td>64.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The distribution of male and female respondents shows a majority of female respondents (64.6%), compared to the male respondents (35.4%). An explanation for this distribution might be that there is a majority of female students at Kristianstad University, and also that the female respondents might have been more willing to answer the questionnaire.
Age

Age was included to find out if there is a significant relationship to what impact the factors price, trust, and convenience have on different age groups. Age is a demographic value that can also be used in order to further explain and elaborate on some of the other questions that were used to find segments among the respondents. The respondents were asked to write how old they were, instead of setting up different age groups to choose from. In this way we were able to get the exact age and thereby set up different age groups according to the distribution.
Since we conducted our research on students the first two age groups, <=20 and 21 – 24, held the majority of the respondents, 42% and respectively 32.2%. This can also be explained by that the classes that we had investigated had a majority number of younger students. If there would have had been a person that had completed the questionnaire at some other time, he/she would then be asked not to fill it out again, however, this scenario never occurred.

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 20</td>
<td>95</td>
<td>42.0</td>
<td>42.0</td>
</tr>
<tr>
<td>21 - 24</td>
<td>75</td>
<td>33.2</td>
<td>75.2</td>
</tr>
<tr>
<td>25 - 28</td>
<td>28</td>
<td>12.4</td>
<td>87.6</td>
</tr>
<tr>
<td>29 - 33</td>
<td>11</td>
<td>4.9</td>
<td>92.5</td>
</tr>
<tr>
<td>34 - 37</td>
<td>9</td>
<td>4.0</td>
<td>96.5</td>
</tr>
<tr>
<td>38 - 41</td>
<td>5</td>
<td>2.2</td>
<td>98.7</td>
</tr>
<tr>
<td>42 ≤</td>
<td>3</td>
<td>1.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

### Table 5.5 – Q1.2 Distribution according to the variable "Age" (Binned)

**Semester**

With the semester variable we wanted to examine whether there is a difference between the respondents that have studied for longer period of time compared to those who have studied a shorter period of time.

The largest classes are those that are in their first or their second year, Table 5.6 – Q1.3 Distribution according to the variable "Semester"

<table>
<thead>
<tr>
<th>Semester</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>153</td>
<td>67.7</td>
<td>67.7</td>
</tr>
<tr>
<td>3-4</td>
<td>47</td>
<td>20.8</td>
<td>88.5</td>
</tr>
<tr>
<td>5-6</td>
<td>14</td>
<td>6.2</td>
<td>94.7</td>
</tr>
<tr>
<td>7-8</td>
<td>7</td>
<td>3.1</td>
<td>97.8</td>
</tr>
<tr>
<td>&gt;9</td>
<td>5</td>
<td>2.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Disposable Income

Income was used in the questionnaire mainly to find if the respondents that have a higher income spend more money online or not. This variable is also used in order to find the correlation to the factors price, trust, and convenience.

The distribution of the variable income is highly connected with the fact that the respondents are students and, therefore, have a lower income. This explains the fact that the majority of respondents have the lowest income (36.6%). Students usually take student loans which explains the fact the second largest group, 29.6%, was the group where the amount of a regular Swedish student loan falls into.

### Table 5.7 – Q1.4 Distribution according to the variable “Disposable income”

<table>
<thead>
<tr>
<th>Disposable Income SEK</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 5000</td>
<td>82</td>
<td>36.3</td>
<td>36.3</td>
</tr>
<tr>
<td>5000-6999</td>
<td>36</td>
<td>15.9</td>
<td>52.2</td>
</tr>
<tr>
<td>7000-8999</td>
<td>67</td>
<td>29.6</td>
<td>81.9</td>
</tr>
<tr>
<td>9000-10999</td>
<td>23</td>
<td>10.2</td>
<td>92.0</td>
</tr>
<tr>
<td>11000-12999</td>
<td>11</td>
<td>4.9</td>
<td>96.9</td>
</tr>
<tr>
<td>≥ 13000</td>
<td>7</td>
<td>3.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Disposable Income

Income was used in the questionnaire mainly to find if the respondents that have a higher income spend more money online or not. This variable is also used in order to find the correlation to the factors price, trust, and convenience.

The distribution of the variable income is highly connected with the fact that the respondents are students and, therefore, have a lower income. This explains the fact that the majority of respondents have the lowest income (36.6%). Students usually take student loans which explains the fact the second largest group, 29.6%, was the group where the amount of a regular Swedish student loan falls into.

### Attitudes and Beliefs

Questions 4.1 and 4.2

**Prior experience**

This question was used in order to see what attitude the respondent had about shopping online. The measured attitude was mainly derived through questions about the respondent’s prior experiences. This usually also affects the attitude towards performing an action, in this case the action was to shop books online. The question was, therefore,
designed to let the respondent rate their prior experience for shopping books online. Further on, we made sure by asking the respondents beforehand whether they had been shopping for books online before. If they had not they were excluded from the survey.

Table 5.8 – Q4.1 Distribution according to the variable “Previous experience with online book purchases”

<table>
<thead>
<tr>
<th>Experience</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Very bad)</td>
<td>9</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>2.2</td>
<td>6.2</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>4.4</td>
<td>10.6</td>
</tr>
<tr>
<td>4 (Neither)</td>
<td>32</td>
<td>14.2</td>
<td>24.8</td>
</tr>
<tr>
<td>5</td>
<td>50</td>
<td>22.1</td>
<td>46.9</td>
</tr>
<tr>
<td>6</td>
<td>66</td>
<td>29.2</td>
<td>76.1</td>
</tr>
<tr>
<td>7 (Very good)</td>
<td>54</td>
<td>23.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Overall the respondents showed a good to very good prior experience with purchasing books online. The number of respondents with a very good attitude towards online shopping is high and the distributed attitude declines as less respondents think of it as a bad experience. Rating number four on the scale is considered as neither a good nor bad experience. A the majority of respondents, overall 89.4 %, do consider their prior experience with online book purchasing as good. This question is closely related to the following question which investigates the respondents’ future expectations of online book purchasing.

Future expectations of online book purchases

This question is a part of analyzing the respondents’ attitude towards online book purchases. Future expectations are highly dependent on respondents’ prior experiences of online book purchases; this will be further discussed in the analysis of the results.

Table 5.9 – Q4.2 Distribution according to the variable “Future expectations of online book purchases”

<table>
<thead>
<tr>
<th>Expectations</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
</table>

56
As with prior experiences the respondents have a highly positive attitude towards future online book purchases. The majority (91.5%), of the respondents have rated future expectations with online book purchases to be positive or neither good nor bad. Not considering the neutral respondents, an overall 80.9% of the respondents had positive expectations.

### Impact of Reference Groups

Questions 5.1, 5.2, and 5.3

*The impact of Reference Groups*

These questions were designed to find out which of the three *Reference Groups*, family, friends, and online forum, that have an impact on the respondent.

Families as *Reference Groups* have not shown to have an impact on online book purchases among students. A majority of 66.8% do not consider any of their families’ opinions and experiences at all when purchasing books online.

<table>
<thead>
<tr>
<th></th>
<th>1 (Very bad)</th>
<th>2</th>
<th>3</th>
<th>4 (Neither)</th>
<th>5</th>
<th>6</th>
<th>7 (Very good)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4</td>
<td>1.8</td>
<td>1.8</td>
<td>24</td>
<td>10.6</td>
<td>19.0</td>
<td>62</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>1.8</td>
<td>3.5</td>
<td>11</td>
<td>4.9</td>
<td>8.4</td>
<td>74</td>
</tr>
<tr>
<td>3</td>
<td>11</td>
<td>4.9</td>
<td>8.4</td>
<td>24</td>
<td>10.6</td>
<td>19.0</td>
<td>74</td>
</tr>
<tr>
<td>4</td>
<td>24</td>
<td>10.6</td>
<td>19.0</td>
<td>47</td>
<td>20.8</td>
<td>39.8</td>
<td>62</td>
</tr>
<tr>
<td>5</td>
<td>47</td>
<td>20.8</td>
<td>39.8</td>
<td>74</td>
<td>32.7</td>
<td>72.6</td>
<td>74</td>
</tr>
<tr>
<td>6</td>
<td>74</td>
<td>32.7</td>
<td>72.6</td>
<td>74</td>
<td>32.7</td>
<td>72.6</td>
<td>62</td>
</tr>
<tr>
<td>7</td>
<td>62</td>
<td>27.4</td>
<td>100.0</td>
<td>226</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Total | 226 | 100.0 |
Friends as a Reference Groups have shown to have a bigger impact as a Reference Groups when respondents consider their books purchases online. This can be explained by the fact that friends often are fellow students that attend the same program and have relevant information that is of use to the respondent. The distribution of the respondents shows that the majority of the respondents, 62.8%, take the opinions and experiences of their friends into consideration.

Table 5.10 – Q5.1 Distribution according to the variable “How much does family affect online purchase”

<table>
<thead>
<tr>
<th>Family affect</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Not at all)</td>
<td>151</td>
<td>66.8</td>
<td>66.8</td>
</tr>
<tr>
<td>2</td>
<td>13</td>
<td>5.8</td>
<td>72.6</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>4.4</td>
<td>77.0</td>
</tr>
<tr>
<td>4 (Some)</td>
<td>21</td>
<td>9.3</td>
<td>86.3</td>
</tr>
<tr>
<td>5</td>
<td>19</td>
<td>8.4</td>
<td>94.7</td>
</tr>
<tr>
<td>6</td>
<td>5</td>
<td>2.2</td>
<td>96.9</td>
</tr>
<tr>
<td>7 (Very much)</td>
<td>7</td>
<td>3.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Friends as a Reference Groups have shown to have a bigger impact as a Reference Groups when respondents consider their books purchases online. This can be explained by the fact that friends often are fellow students that attend the same program and have relevant information that is of use to the respondent. The distribution of the respondents shows that the majority of the respondents, 62.8%, take the opinions and experiences of their friends into consideration.

Online forums do not have any impact on the respondents. A majority of 66.8% of the respondents do not consider the opinions and experiences discussed on online forums at all.

Table 5.11 – Q5.2 Distribution according to the variable “How much friends affect online purchase”

<table>
<thead>
<tr>
<th>Friends affect</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Not at all) 1</td>
<td>84</td>
<td>37.2</td>
<td>37.2</td>
</tr>
<tr>
<td>2</td>
<td>14</td>
<td>6.2</td>
<td>43.4</td>
</tr>
<tr>
<td>3</td>
<td>19</td>
<td>8.4</td>
<td>51.8</td>
</tr>
<tr>
<td>(Some) 4</td>
<td>39</td>
<td>17.3</td>
<td>69.0</td>
</tr>
<tr>
<td>5</td>
<td>44</td>
<td>19.5</td>
<td>88.5</td>
</tr>
<tr>
<td>6</td>
<td>15</td>
<td>6.6</td>
<td>95.1</td>
</tr>
<tr>
<td>(Very much) 7</td>
<td>11</td>
<td>4.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Online forums do not have any impact on the respondents. A majority of 66.8% of the respondents do not consider the opinions and experiences discussed on online forums at all.

Table 5.12 – Q5.3 Distribution according to the variable “How much
online forums affect online book purchase”

<table>
<thead>
<tr>
<th>Online forum affect</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Not at all)</td>
<td>151</td>
<td>66.8</td>
<td>66.8</td>
</tr>
<tr>
<td>2</td>
<td>15</td>
<td>6.6</td>
<td>73.5</td>
</tr>
<tr>
<td>3</td>
<td>22</td>
<td>9.7</td>
<td>83.2</td>
</tr>
<tr>
<td>(Some)</td>
<td>20</td>
<td>8.8</td>
<td>92.0</td>
</tr>
<tr>
<td>5</td>
<td>10</td>
<td>4.4</td>
<td>96.5</td>
</tr>
<tr>
<td>6</td>
<td>5</td>
<td>2.2</td>
<td>98.7</td>
</tr>
<tr>
<td>(Very much)</td>
<td>3</td>
<td>1.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

5.2.2 Online Consumer Behaviour

Webographics

Question 2.1

Time spent online

This question is used in order to investigate how much time the respondent spends online. The respondent that spends more time online has a higher experience with the Internet which according to the literature is a reason to buy more online. Hence, this question is closely related to the respondents shopping patterns. This will be further discussed in the analysis of the results.

<table>
<thead>
<tr>
<th>Time spent online</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30 min</td>
<td>30</td>
<td>13.3</td>
<td>13.3</td>
</tr>
<tr>
<td>30min-1h</td>
<td>57</td>
<td>25.2</td>
<td>38.5</td>
</tr>
<tr>
<td>1-2h</td>
<td>63</td>
<td>27.9</td>
<td>66.4</td>
</tr>
<tr>
<td>2-3h</td>
<td>24</td>
<td>10.6</td>
<td>77.0</td>
</tr>
<tr>
<td>3-4h</td>
<td>33</td>
<td>14.6</td>
<td>91.6</td>
</tr>
<tr>
<td>4-5h</td>
<td>7</td>
<td>3.1</td>
<td>94.7</td>
</tr>
<tr>
<td>&gt;5h</td>
<td>12</td>
<td>5.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>
The distribution shows that the majority of the respondents spend somewhere between 30 min to 2 hours online each day. The two second major groups are respondents that spend 3 to 4 hours and respondents that spend less than 30 min online each day, 14.6% respectively 13.3%. These results will be used in order to find what differs between these respondents and which of the factors price, trust and convenience has the largest amount of impact.

**Shopping patterns**

Question 3.2

*Expenditure on books*

This question is used in order to investigate what amount of money the respondent spends on books each month. This question was included to reveal the respondents’ shopping patterns and is, among others, highly connected to the respondents’ attitude towards online book purchases. This will be further discussed in the analysis of the results.

**Table 5.14 – Q3.2 Distribution according to the variable “Expenditure on books in average per month”**

<table>
<thead>
<tr>
<th>Expenditure SEK</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;200</td>
<td>29</td>
<td>12.8</td>
<td>12.8</td>
</tr>
<tr>
<td>200-399</td>
<td>65</td>
<td>28.8</td>
<td>41.6</td>
</tr>
<tr>
<td>400-599</td>
<td>78</td>
<td>34.5</td>
<td>76.1</td>
</tr>
<tr>
<td>600-799</td>
<td>37</td>
<td>16.4</td>
<td>92.5</td>
</tr>
<tr>
<td>800-999</td>
<td>11</td>
<td>4.9</td>
<td>97.3</td>
</tr>
<tr>
<td>&gt;=1000</td>
<td>6</td>
<td>2.7</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

The respondents spend up to 799 SEK on books each month, on average, and the most of the respondents’, 34.5%, spend between 400 – 599 SEK. This can be explained by the fact that the average cost of a course book is in this interval.
**Internet Usage**

Question 2.2

This question was included to investigate for what reason the respondents mainly used the Internet. The respondents were given 5 alternatives from which they had to rank 3 by the primary, secondary, and tertiary choice of usage.

According to the table 5.12 the respondents as the primary most popular use listed the alternatives Fun (43.4%), E-mail (26.5%) and Information (19.0%), accordingly. The secondary overall most popular choices were the alternatives E-mail (27.9%), Information (27.0%) and Fun (21.7%). The tertiary most popular choices were Information (28.3%), E-mail (23.0%) and Work (21.2%). According to the distribution the alternatives Fun, E-mail and Information were the most popular alternatives, with the exception of Fun as tertiary use where that alternative was replaced with work.

<table>
<thead>
<tr>
<th>Internet Usage</th>
<th>Primary usage</th>
<th>Secondary usage</th>
<th>Tertiary usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fun</td>
<td>98 (43.4%)</td>
<td>49 (21.7%)</td>
<td>39 (17.3%)</td>
</tr>
<tr>
<td>Work</td>
<td>22 (9.7%)</td>
<td>43 (19.0%)</td>
<td>48 (21.2%)</td>
</tr>
<tr>
<td>Information</td>
<td>43 (19.0%)</td>
<td>61 (27.0%)</td>
<td>64 (28.3%)</td>
</tr>
<tr>
<td>E-mail</td>
<td>60 (26.5%)</td>
<td>63 (27.9%)</td>
<td>52 (23.0%)</td>
</tr>
<tr>
<td>Shopping</td>
<td>3 (1.3%)</td>
<td>10 (4.4%)</td>
<td>23 (10.2%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>226 (100%)</td>
<td>226 (100%)</td>
<td>226 (100%)</td>
</tr>
</tbody>
</table>

5.2.3 **Identified factors Price, Trust, and Convenience**

When analyzing the factors price, trust, and convenience we used the Fishbein Model which is explained in the fourth chapter. The Fishbein Model has an interval that allows for all whole values between -9 to 9. In order for us to be able to set up a frequency table we needed to bin
these values and create fewer alternatives. As seen in table 5.13, the values are grouped into the following values, where the numbers in the left column correspond to binned values and the numbers in the right column to Fishbein values:

<table>
<thead>
<tr>
<th>Binned value</th>
<th>Fishbein value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&lt;- 8</td>
</tr>
<tr>
<td>2</td>
<td>-7 – -5</td>
</tr>
<tr>
<td>3</td>
<td>-4 – -2</td>
</tr>
<tr>
<td>4</td>
<td>-1 – 1</td>
</tr>
<tr>
<td>5</td>
<td>2 – 4</td>
</tr>
<tr>
<td>6</td>
<td>5 – 7</td>
</tr>
<tr>
<td>7</td>
<td>8 &gt;</td>
</tr>
</tbody>
</table>

**Price**

Table 5.14 shows the results of both questions 6.2 and 6.3 of the questionnaire merged together. It measures the respondent’s overall attitude towards the factor price in the sense that the respondent feels that he/she is saving money when shopping books online, how important it is to him / her (question 6.2) and how much the respondent takes advantage of price comparison possibilities on the Web as well as how important this is to him / her.
Table 5.17 – Merged results from questions 6.2 and 6.3 “Distribution according to The overall attitude towards price”

<table>
<thead>
<tr>
<th>Price</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Negative)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>4 (Neither)</td>
<td>42</td>
<td>18.6</td>
<td>20.4</td>
</tr>
<tr>
<td>5</td>
<td>47</td>
<td>20.8</td>
<td>41.2</td>
</tr>
<tr>
<td>6</td>
<td>85</td>
<td>37.6</td>
<td>78.8</td>
</tr>
<tr>
<td>7 (Positive)</td>
<td>48</td>
<td>21.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The overall results show that the general attitude is positive and that the respondents are somewhat price sensitive and make their book purchase online as they believe that they will be saving money by doing so. The results are presented on a seven-point scale where 1 to 2 were left completely blank by all respondents and 1.8% had a slightly negative attitude and are not considered to being price sensitive. Almost a fifth (18.6%), responded they had neither a positive or negative attitude. This can be considered as having a neutral attitude towards price. The majority of the respondents (77.8%) can be found between 5 and 7 and as a consequence having a positive attitude towards price, therefore, are being considered as price sensitive.

**Trust**

The table 5.15 shows the results of questions 7.1, 7.2 and 7.3 of the questionnaire merged together. It measures the respondent’s trust attitude towards online purchasing safety, trust towards the Internet as a distribution channel and trust towards the specific online retailer.
The overall results show that the general attitude is positive and that the respondents trust the Internet as a distribution channel and a specific retailer as well as that they consider it safe to buy books online.

The results are presented on a seven-point scale where 1 to 2 were left completely blank by all respondents and 0.9% had a slightly negative attitude and do not completely trust the Internet. Whilst 12.8% of the respondents had a neutral trust attitude and responded neither positive nor negative, the majority of the respondents (86.2%) can be found between 5 and 7 and have a positive trust attitude towards online book shopping and trust the Internet as a distribution channel and a specific retailer.

**Convenience**

The table 5.16 shows the results of questions 8.1, 8.2, and 8.3 of the questionnaire merged together. It measures the respondent’s attitude towards convenience in the sense that the respondent feels that it is less strenuous to buy books online than in an offline bookstore, that it is timesaving and that the respondents value the possibility to be shopping at any time of the day.
Table 5.19 – Merged results from questions 8.1, 8.2, and 8.3 “Distribution according to The overall attitude towards convenience”

<table>
<thead>
<tr>
<th>Convenience</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Negative)</td>
<td>1</td>
<td>.4</td>
<td>.4</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>1.8</td>
<td>2.2</td>
</tr>
<tr>
<td>3</td>
<td>7</td>
<td>3.1</td>
<td>5.3</td>
</tr>
<tr>
<td>4 (Neither)</td>
<td>58</td>
<td>25.7</td>
<td>31.0</td>
</tr>
<tr>
<td>5</td>
<td>66</td>
<td>29.2</td>
<td>60.2</td>
</tr>
<tr>
<td>6</td>
<td>50</td>
<td>22.1</td>
<td>82.3</td>
</tr>
<tr>
<td>7 (Positive)</td>
<td>40</td>
<td>17.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The overall results show that the general attitude is positive and that the respondents are somewhat convenience orientated. The results are presented on a seven-point scale where 5.3% had a slightly negative attitude and are not considered to shopping due to convenience. Slightly more than a fourth (25.7%), responded they had neither a positive nor negative attitude and can be considered as having a neutral attitude towards convenience. The majority of the respondents (69%) can be found between 5 and 7 and as a consequence having a positive attitude towards convenience and do their book shopping due to convenience reasons.

5.3 Identified Attributes

Price

Questions 6.2 and 6.3
Saving money when purchasing books online compared to purchasing books at book store

This is the first attribute of the factor price and involves the respondents’ attitude towards saving money when purchasing books online. The respondent was asked two questions in order for us to establish their attitude. The first question examined if the respondent agrees with the fact that purchasing books online saves money and the second question examines the importance of this statement. The results from these two questions gave us the following distribution of what the respondents’ attitude towards this statement is.

Table 5.20 – Q 6.2 Distribution according to the attribute “Saving money when purchasing books online”

<table>
<thead>
<tr>
<th>Saving money</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Not at all)</td>
<td>2</td>
<td>.9</td>
<td>.9</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>.4</td>
<td>1.3</td>
</tr>
<tr>
<td>3</td>
<td>8</td>
<td>3.5</td>
<td>4.9</td>
</tr>
<tr>
<td>4 (Neither)</td>
<td>53</td>
<td>23.5</td>
<td>28.3</td>
</tr>
<tr>
<td>5</td>
<td>50</td>
<td>22.1</td>
<td>50.4</td>
</tr>
<tr>
<td>6</td>
<td>20</td>
<td>8.8</td>
<td>59.3</td>
</tr>
<tr>
<td>7 (Always)</td>
<td>92</td>
<td>40.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td></td>
<td>100.0</td>
</tr>
</tbody>
</table>

The table 5.17 illustrates whether the respondents feel that they are saving money when they purchase books online compared to a regular book store. By using the Fishbein Model, we could at the same time measure how important it is for the respondent to feel that they are saving money when they purchase books online compared to a regular book store. 40.7% of the respondents felt that they saved money and that it is important to save money when they purchase books online. The second largest category is a neutral one, with 23.5% where the respondent felt that they neither save money nor do not save money.

The reason for the values being so high can be that even though the Comparing prices, through different price comparison websites, before purchasing books online
This is the second and last attribute that constitutes the factor price. This question investigates whether the respondents compare book prices through different book comparison sites on the Internet before purchasing books online. The respondents were first asked if they agreed with the statement and second if they perceived it as important. These two questions then indicated the overall attitude towards comparing book prices before purchasing online.
Table 5.18 shows how the respondents use price comparison sites such as Pricerunner or Bokfynd. Almost everyone uses this type of comparison prior to purchasing a book, more or less often, and a large group (31.9%) of the respondents does so very often. This displays an overall positive attitude towards comparing price over the Internet even though the largest group of 82 respondents (36.3%) consider comparing price over the Internet as neither positive nor negative. This can be concluded by the fact that the respondents might not compare prices but think that it is important. This then translates into neither a positive nor a negative attitude towards comparing prices when purchasing books online. The respondent might also compare prices but does not find it important.

**Trust**

Questions 7.1, 7.2, and 7.3

*It is secure to purchase books online*

This question investigates what the respondents overall attitude is towards the first attribute we identified that constitutes the factor trust. This attribute involves the respondent overall attitude towards security when purchasing books online. The respondent was first asked to
answer whether they felt secure when purchasing books online and then
how important it is for them to feel safe when purchasing books online.

<table>
<thead>
<tr>
<th>Security when purchasing online</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Negative)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>.9</td>
<td>.9</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>2.2</td>
<td>3.1</td>
</tr>
<tr>
<td>4 (Neither)</td>
<td>48</td>
<td>21.2</td>
<td>24.3</td>
</tr>
<tr>
<td>5</td>
<td>67</td>
<td>29.6</td>
<td>54.0</td>
</tr>
<tr>
<td>6</td>
<td>36</td>
<td>15.9</td>
<td>69.9</td>
</tr>
<tr>
<td>7 (Positive)</td>
<td>68</td>
<td>30.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The values in table 5.19 explain whether the respondents feel that it is
safe to purchase books online, and if it is important to feel secure when
purchasing books online. The largest category (30.1%) feels secure and
also thinks it is important to feel secure when purchasing books online.
The second largest (29.6%), with just one respondent less, is the
category slightly more positive than ”neither”. The large number could
come from respondents that not feel secure when they purchase books
online, but nevertheless feels that it is important to feel secure when
they do. Hence, the distribution of the respondents reveals that they
generally have a more positive attitude towards feeling secure when
purchasing books online.

Trust in Internet as a retail channel
This question investigates the respondents’ attitude towards the Internet as a medium for retailing. We have identified this attribute as the second one of the factor trust. The respondent was first asked if he or she trusts the Internet as a distribution channel and then how important it is to trust the Internet as distribution channel. The two questions then represent the overall attitude towards this attribute.

**Table 5.23 – Q7.2 Distribution according to the attribute “Trust in the Internet as a retail channel”**

<table>
<thead>
<tr>
<th>Trust in Internet as a retailing channel</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Negative)</td>
<td>3</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>.9</td>
<td>2.2</td>
</tr>
<tr>
<td>3</td>
<td>16</td>
<td>7.1</td>
<td>9.3</td>
</tr>
<tr>
<td>4 (Neither)</td>
<td>106</td>
<td>46.9</td>
<td>56.2</td>
</tr>
<tr>
<td>5</td>
<td>61</td>
<td>27.0</td>
<td>83.2</td>
</tr>
<tr>
<td>6</td>
<td>15</td>
<td>6.6</td>
<td>89.8</td>
</tr>
<tr>
<td>7 (Positive)</td>
<td>23</td>
<td>10.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The respondents were asked to rate whether they trust the Internet as a distribution channel, and also if it is important to trust the Internet as a distribution channel. The majority does not feel that the Internet is a completely trustworthy distribution channel. This result could have been derived from respondents that do not trust the Internet as a distribution channel, yet they believe that it is important that it is trustworthy.

**Trust in the Internet retailer**

This question investigated the respondents overall attitude towards the trust in the Internet retailer. Two questions were asked, one asked if the respondent has to trust the Internet retailer in order to make a purchase from them, and the second question asked how important it is to have trust in the Internet retailer before making a purchase from them. The
results showed the respondents overall attitude towards the third and last attribute constituting the factor trust.

Table 5.24 – Q7.3 Distribution according to the attribute “Trust in the Internet retailer”

<table>
<thead>
<tr>
<th>Trust in the Internet retailer</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Negative)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>4 (Neither)</td>
<td>44</td>
<td>19.5</td>
<td>20.8</td>
</tr>
<tr>
<td>5</td>
<td>67</td>
<td>29.6</td>
<td>50.4</td>
</tr>
<tr>
<td>6</td>
<td>24</td>
<td>10.6</td>
<td>61.1</td>
</tr>
<tr>
<td>7 (Positive)</td>
<td>88</td>
<td>38.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The majority feel a need to trust the retailer, while also feeling that it is important to trust the retailer when proceeding with a purchase. Only three respondents fell into the negative part of the scale. This indicates that trust in the Internet retailer, to some degree, is almost always needed for the consumer to make a purchase from an Internet retailer.

**Convenience**

Questions 8.1, 8.2, and 8.3

*If online book purchasing is perceived as involving less effort compared to purchasing books at a book store*

This question examines one of the attributes that constitutes the factor convenience and is included in the questionnaire in order to find out if the respondents perceive that purchasing books online involves less effort than compared to purchasing books in a book store. This question
is also a part of the factor convenience and the overall attitude the respondents have towards the factor convenience.

Table 5.25 – Q8.1 Distribution according the attribute “Purchasing books online involves less effort compared to purchasing books at a book store”

<table>
<thead>
<tr>
<th>Less effort</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Negative)</td>
<td>9</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>2.2</td>
<td>6.2</td>
</tr>
<tr>
<td>3</td>
<td>14</td>
<td>6.2</td>
<td>12.4</td>
</tr>
<tr>
<td>4 (Neither)</td>
<td>74</td>
<td>32.7</td>
<td>45.1</td>
</tr>
<tr>
<td>5</td>
<td>55</td>
<td>24.3</td>
<td>69.5</td>
</tr>
<tr>
<td>6</td>
<td>16</td>
<td>7.1</td>
<td>76.5</td>
</tr>
<tr>
<td>7 (Positive)</td>
<td>53</td>
<td>23.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The majority (32.7%) of the respondents did not find purchasing books online neither convenient nor inconvenient when it involved the attribute less effort. The further distribution of all the respondents had a positive attitude towards the attribute less effort. This is clearly shown by that one of the largest respondent groups (23.5%) is the group with the highest value that perceived purchasing books online as always involving less effort compared to purchasing books in book store. Hence, there is an overall a positive attitude towards this attribute among the respondents.

Does online purchasing save time compared to purchasing books at a book store?

The second attribute of convenience is saving time when purchasing books online compared to when purchasing books in a book store. As the previous question, this question is a part of further estimation of the factor convenience and the overall attitude the respondent has towards convenience. The respondents rated to what extent they believed that
purchasing books online saves them time, and how important it is to them to save time when purchasing books online compared to purchasing books at a bookstore. The results then indicated the respondents overall attitude towards this attribute.

<table>
<thead>
<tr>
<th>Saving time</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Negative)</td>
<td>10</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>0.9</td>
<td>5.3</td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td>4.4</td>
<td>9.7</td>
</tr>
<tr>
<td>4 (Neither)</td>
<td>68</td>
<td>30.1</td>
<td>39.8</td>
</tr>
<tr>
<td>5</td>
<td>44</td>
<td>19.5</td>
<td>59.3</td>
</tr>
<tr>
<td>6</td>
<td>14</td>
<td>6.2</td>
<td>65.5</td>
</tr>
<tr>
<td>7 (Positive)</td>
<td>78</td>
<td>34.5</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Total 226 100.0

The two big majority groups (34.5% respectively 30.1%) found purchasing books online either as always time saving or that neither it saves time nor is more time consuming than purchasing books at book store. The overall distribution of the respondents had showed a positive attitude towards the attribute purchasing books online saves time compared to purchasing books at a book store. This is a logical conclusion that can be derived from the fact that when purchasing books online from a computer at home does not involve having to leave the home, which can be considered as timesaving. But some complications at the website or being able to use a computer from home, can explain the why the majority of respondents do considers purchasing books online neither as timesaving nor is more time
consuming than purchasing books at book store. This explanation can also be applied to the respondents on the negative side of the scale.

**Attitude towards the possibility to be able to purchase books online at any time of the day**

This question involves how the respondent perceives the ability to being able to purchase books online at any time of the day. The respondent was asked to first rate this statement, and further to rate the importance of the statement. This is the last attribute that is decisive for the overall attitude for the factor convenience.

**Table 5.27 – Q8.3 Distribution according the attribute “Being able to purchase books online at any time of the day”**

<table>
<thead>
<tr>
<th>Purchase at any time</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Negative)</td>
<td>6</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>2</td>
<td>13</td>
<td>5.8</td>
<td>8.4</td>
</tr>
<tr>
<td>3</td>
<td>102</td>
<td>45.1</td>
<td>53.5</td>
</tr>
<tr>
<td>4 (Neither)</td>
<td>105</td>
<td>46.5</td>
<td>100.0</td>
</tr>
<tr>
<td>5</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>7 (Positive)</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

The majority group (46.5%) of the respondents considers this attribute as neither important nor unimportant. The overall distribution of the respondents perceived it more as unimportant and showed a negative attitude towards the attribute. This can be derived from the fact that the respondents agreed on the possibility to being able to purchase books online at any time but did not find it important.
5.3.1 Primary Factor

By multiplying all the attributes of the factors and looking at what factor each respondent had the most positive attitude towards and labelling it as the *Primary Factor*, we were able to identify the following distribution among the respondents for the factors price, trust and convenience in table 5.25:

<table>
<thead>
<tr>
<th>Primary Factor</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>94</td>
<td>41.6</td>
<td>41.6</td>
</tr>
<tr>
<td>Trust</td>
<td>68</td>
<td>30.1</td>
<td>71.7</td>
</tr>
<tr>
<td>Convenience</td>
<td>64</td>
<td>28.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

We found that the majority (41.6%), of the respondents had the most positive attitude towards the importance of the factor price. The factors trust and convenience had an almost equal distribution of 30.1% respectively 28.3%. This will be further investigated and explained in the following chapter.
6 Analysis

In this chapter we will present analysis and conclusions of the conducted research and the collected data that has been presented in the previous chapter. We will identify certain segments and analyse how the factors Price, Trust, and Convenience affect these segments.

6.1 The Factors

In order to gain an initial understanding of how the respondent feels towards Price, Trust and Convenience, they were asked to rank these in the questionnaire accordingly. We have then investigated the different attributes of the factors. By using the Fishbein Model we could identify the overall attitude towards the different factors and their importance respectively.

When the respondent was asked to just rank the different factors, the results showed that 73.9% considered price as the primary concern when purchasing books online. When the respondent was put in front of the three factors, we could see that most of them chose price. However, if compared to the Primary Factor, where the different attributes to the factors were used to find the overall attitude and importance; the results did not match. The distributions for the Primary Factor were Price: 41.6%, Trust: 30.1% and Convenience: 28.3%. This showed that the respondent generally thought that Price was the most important to him or her, but at the same time one of the other factors could actually be the most important to a respondent, since the distribution shifted between the two ways of evaluating, with the Primary Factor being the most accurate since it offers an overall attitude measurement. This answers the questions one and two in our research.
6.2 Two Step Cluster

The two step cluster analysis was used to segment the respondents. This type of analysis grouped data so that records within a group were similar. It could be applied to data that described customer buying habits, gender, age, income etc. It created segments containing groups that had the most in common and this method was selected due to the amount of variables that needed to be taken into consideration when creating the segments.

By analysing the collected data, for the various variables that we intended to segment by, we decided to exclude some variables. The reason was that some of the variables did not show a significant variation which would have enhanced the homogeneity of the segments. Segments need to be homogenous and diverse from the whole population in order for them to be targeted. The variables that we did not use would instead be applied to give an additional explanation to the formed segments. With the two step cluster analysis we found three segments in our sample, based on the variables that we chose to segment by, which were: Expenditure on books on average each month, Previous experience with purchasing books online, Future expectations with purchasing books online, The impact of the reference group: family, The impact of the reference group: friends, and The impact of the reference group: online forums. In this research the variables are categorized into the following variables shown by Figure 6.1.

- **Consumer Traits**: Impact of Reference Groups (Family, Friends, and, Online forums), and Attitude and Beliefs (Previous experience and Future expectations)

- **Behaviour Online**: Online Shopping patterns (Expenditure on purchasing books per month)
To show that the variables that we used to create segments are valid, there needs to be a clear difference between the respondents that makes it possible to separate them into segments.

In order to show the significance of the variables we conducted a One-Way Analysis of Variance, also known as the One Way ANOVA, which is used to test for differences among two or more independent groups. It tests the equality of three or more means at one time by using variances.

Table 6.1 shows that all variables except for the affect of family as a Reference Group are significant. But since this variable is a part of the overall attribute Impact of Reference Groups it needed to be included for the variable to be complete. The significance value is presented as the last column in the table and shows that if the value is less then 5% (0,05) the variable is considered to be significant.

Figure 6.1 – Segment variables
6.2.1 Significance of the factors within the Segments

In order to show that the results and conclusions which are to be presented below are significant we conducted a Kruskal Wallis test. This test also presented that the number of collected respondents was sufficient for the analysis that we had conducted. The Kruskal Wallis test is the same test as the prior One Way ANOVA expect from the fact that Kruskal Wallis tests two variables at the same time for significance.

<table>
<thead>
<tr>
<th></th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure on books each month</td>
<td>Between Groups</td>
<td>4,294</td>
<td>3,213</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>1,337</td>
<td></td>
</tr>
<tr>
<td>Previous experience with online purchases</td>
<td>Between Groups</td>
<td>128,668</td>
<td>108,951</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>1,181</td>
<td></td>
</tr>
<tr>
<td>Future expectations with online purchases</td>
<td>Between Groups</td>
<td>126,138</td>
<td>165,765</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>.761</td>
<td></td>
</tr>
<tr>
<td>How much does you family affect your online purchase</td>
<td>Between Groups</td>
<td>4,708</td>
<td>1,589</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>2,963</td>
<td></td>
</tr>
<tr>
<td>How much does you friends affect your online purchase</td>
<td>Between Groups</td>
<td>18,246</td>
<td>4,876</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>3,742</td>
<td></td>
</tr>
<tr>
<td>How much does online forums affect your online purchase</td>
<td>Between Groups</td>
<td>8,532</td>
<td>3,977</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>2,145</td>
<td></td>
</tr>
</tbody>
</table>

*Table 6.29 – One Way ANOVA*
Table 6.30 – Two Step Cluster Number

<table>
<thead>
<tr>
<th>Two Step Cluster Number</th>
<th>PRICEFISHBEIN (Binned)</th>
<th>TRUSTFISHBEIN (Binned)</th>
<th>CONVENFISHBEIN (Binned)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Mean Rank</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>47</td>
<td>127,61</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>93</td>
<td>118,29</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>86</td>
<td>100,61</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

When we conducted the test we found that the factors Price, Trust, and Convenience showed a significant variance within the segments and that the results presented below concur with the conclusions that we had drawn. Table 6.7 showed that all three factors were highly significant, especially the factor Trust to which the respondents had answered with high variances (.000).

Table 6.31 – Kruskal Wallis Test

<table>
<thead>
<tr>
<th></th>
<th>PRICE (Binned)</th>
<th>TRUST (Binned)</th>
<th>CONVENIENCE (Binned)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi²</td>
<td>6,540</td>
<td>26,277</td>
<td>8,852</td>
</tr>
<tr>
<td>df</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.038</td>
<td>.000</td>
<td>.012</td>
</tr>
</tbody>
</table>

6.3 Segments

The two-step cluster created three segments out of the selected variables. According to the Table 6.1 the distribution of the respondents
to the three segments is:Segment One with 47 respondents, Segment Two with 93 respondents and Segment Three with 86 respondents.

Table 6.32 – Distribution according to The segments

<table>
<thead>
<tr>
<th>The Segments</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment One</td>
<td>47</td>
<td>20.8%</td>
<td>20.8%</td>
</tr>
<tr>
<td>Segment Two</td>
<td>93</td>
<td>41.2%</td>
<td>62.0%</td>
</tr>
<tr>
<td>Segment Three</td>
<td>86</td>
<td>38.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>226</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

6.3.1 Description of Segment One: High Spenders

Segment One held 20.8% of all the respondents. The consumers in this segment mainly spent each between 400-799 SEK on books each month during a semester. Hence, they are the segment that can be considered to spend most on books each month. The entire segment (100%) has had very good previous experiences with purchasing books online and very high expectations for the next time they will purchase a book online. The experience and opinions of their family and friends as Reference Groups did not matter to them when they purchased a book online, neither were the experiences and opinions discussed in online forums taken into consideration.

As a conclusion this segment is the smallest of the three and consisted of consumers that had spent the most money on books. They had very high confidence in purchasing books online, mainly due to very good previous experiences. They did not regard the experience and opinions of any of the named Reference Groups.

By further profiling the consumers in this segment that were studying at their first or second semester at the University, had an age interval between 18 to 24 years. They had a disposable income with a high variation between 5,000 SEK to 11,000 SEK. This segment group spent mainly somewhere between 1 to 2 hours each day online, however, keeping in mind that some respondents within this segment only spent...
between half an hour to 1 hour online. This segment primarily used the Internet for fun and the second most important as E-mail, and the third as information. Because of the identified characteristics of this segment, we chose to label them as High Spenders.

**Primary Factor of Concern for High Spenders**

The distribution among the respondents according to the factors Price, Trust, and Convenience showed that the factor Trust was the main concern of the High Spenders with 38.3%, closely followed by Price (36.2%). The third concern of Segment One was identified as Convenience (25.5%).

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>17</td>
<td>36.2</td>
<td>36.2</td>
</tr>
<tr>
<td>Trust</td>
<td>18</td>
<td>38.3</td>
<td>74.5</td>
</tr>
<tr>
<td>Convenience</td>
<td>12</td>
<td>25.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

According to table 6.1 the primary factor of concern for the High Spenders was Trust. Here, Trust had an above average distribution which lowered the distribution of the factors Price and Convenience. This indicated that the respondents of this Segment One were more affected by the Trust attributes when they purchase books online.

By further exploring the variable Trust for this segment we found that the respondents were mainly concerned with feeling secure when purchasing books online. This also included trusting the Internet retailer. The respondents had a very high positive attitude both in
agreeing to the statements and also by showing their consent that the statements were of high importance. The third attribute of the factor Trust, “trusting the Internet as distribution channel”, did not show the same overall positive attitude as the first two. Even though that a majority of the respondents were on the positive side of the scale there was a group of 23.4% that believed this attribute to be neutral for them.

In this segment we also chose to analyze the question concerning whether the respondent bought from the same online retailer. This segment was highly concerned with trusting the retailer, which is an attribute to the factor Trust and in fact, the respondents in this segment also purchased books from the same online retailer more frequently than the respondents in Segment Two or Segment Three.

By asking the respondents to list what they thought as their primary concern of the three factors when purchasing books online, we found that they did not correspond with the results when applying the Fishbein model. The respondents in Segment One had listed the factor Price as their primary concern, the factor Convenience as secondary concern, and last the factor Trust as tertiary concern. But when examining the overall attitude towards these factors by dividing the different attributes we found slightly different results, which were presented in table 6.3. According to table 6.3, the primary concern was Trust, followed by Price and Convenience.

The conclusion that can been drawn from the results, is that there are consumers with a highly positive attitude towards purchasing books online which is formed by the highly positive attitude towards the factor Trust. So did the attributes of feeling secure when purchasing online and having trust in the Internet retailer. Since these were also the consumers that spent the largest amount of money on purchasing books online, thereby they were giving important implications towards the factor Trust.
6.3.2 Description of Segment Two: Price Easers

Segment Two consisted of 93 respondents and was the largest segment group with 41.2% of the overall sample. Their average expenditure on books per month was between 200-599 SEK. The consumers in this segment had a slightly less positive than very good when it came to their online books purchasing experience. Their future expectations were similar to the previous experiences, and the consumer expected any future online book purchase to be slightly less positive than very good. Most of the consumers had a good to very good attitude towards purchasing books online. Generally, the consumers in this segment did not consider the experiences and opinions of their families, but on the other hand, they did consider it more compared than any of the other two segments. Their friend’s experiences and opinions would, however, affect their purchase to some degree. Minor considerations were also taken to the experiences and opinions discussed in online forums by this segment. Generally, the respondents took the experience and opinions of the different Reference Groups into most consideration compared to the other segments, and they were especially affected by the Reference Group friends.

The further profile of this segment group is somewhat similar to that of Segment One. The respondents in this segment were in the age between 18 to 24 years. They were mainly studying their first or second semester at the university and had a income of various size, the majority (43.0%), had a disposable income of below 5.000 SEK, but a another group (26.9%), had a disposable income of between 7.000-8.999 SEK. They primarily used the Internet for fun, and list their secondary use of the Internet for information purposes and their tertiary use as E-mail. Because of the identified characteristics of this segment, we chose to label them as Price Easers, since they had a low disposable income, but were more inactive when looking for the lowest prices as they would rely on their friends’ opinions.
Primary Factor of Concern for Price Easers

The distribution according to the primary factor of concern in this segment showed the factor *Price* with 39.8% to be the main influencer when purchasing books online. The *Price* factor was closely followed by the factor Convenience with 34.4% of the respondents. In this segment the respondents considered the factor *Trust* the least important with 25.8%.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>37</td>
<td>39.8</td>
<td>39.8</td>
</tr>
<tr>
<td>Trust</td>
<td>24</td>
<td>25.8</td>
<td>65.6</td>
</tr>
<tr>
<td>Convenience</td>
<td>32</td>
<td>34.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

As illustrated in table 6.2, the majority of the respondents in *Segment Two* believed that *Price* was their most important concern, followed by *Convenience* and *Trust*. This shows that the *Price* attributes affect the consumer the most when purchasing books online. It should also be noticed that the *Convenience* factor in this segment is very high when compared to the overall distribution of the factor to the entire population sample. These factors had an overall higher distribution which reduced the distribution of the factor *Trust*.

When closer examining the attributes of the factor *Price* we found that according to *Segment One*, the majority of the respondents (52.7%), listed that they did agree with the statement that “purchasing books online saved them money” and the majority (62.4%) listed that “saving money is highly important”. The second attribute of the factor *Price*, “comparing prices through different price comparison websites before purchasing books online”, was shown to have an even distribution. The
respondents were also evenly distributed between the groups, and the majority felt that this was important.

Since the factor *Convenience* has a high distribution in this segment, there needs to be further examination of the different variables in order to wholly understand the consumers in this segment. We found that the overall attitude was positive and came from the attributes “saving time” and “less effort”. The consumers agreed with the fact that purchasing books over the Internet involved less effort compared to purchasing books offline. Yet they did not list it as important. The same distribution can be found for the attribute saving time, where the consumers agreed to the fact that it saved them time but they did not find it as important as timesaving. Compared to the previous attribute they found “saving time when purchasing books online” to be of greater importance than when it involved less effort. The last attribute of the factor *Convenience* was “being able to purchase books online at anytime” where the consumers did not show as much of a positive attitude as to the prior attributes. A closer examination shows that the respondent agreed with the statement but did not find it highly important. Overall we can conclude that the respondents agreed with the attributes but did not perceive them as important.

When asked to rank the importance of the three factors, the respondents in *Segment Two* listed the factor *Price* as the primary concern, *Trust* as the secondary and *Convenience* as the tertiary concern. Here the primary concern did agree with the overall attitude towards the factors, while the secondary and tertiary concern did not. The results showed that the consumers in this segment were more *Convenience* oriented than compared to *Trust*.

In conclusion the *Price Easers* were generally price sensitive and at the same time very convenience oriented. This was supported by the fact that the respondents took consideration of the *Reference Groups* and
mostly took the opinions of their friends into consideration. In this sense they were very convenience oriented. The respondents also connected to the fact that they wanted to save money but did not find it as important as comparing prices before purchasing. Instead, they turned to the advice and opinions from their friends. The fact that the respondents in this segment were price sensitive can also be concluded by that the majority of the respondents had the lowest disposable income of the overall sample. Because of the Price and Convenience orientation, the consumer did not take much consideration to the factor Trust. Even though Price Easers spent less money on purchasing books, compared to the previous segment, they were still the largest segment group and because of that important.

6.3.3 Description of Segment Three: Bargain Seekers

Segment Three was a segment with 86 respondents and 38.0% of the overall sample. These consumers spent about as much as the consumers in Segment Two, between 200 to 599 SEK on books each month. They had either slightly good or neither good nor bad previous experiences. Future expectations for purchasing books online were within a similar same range. Overall the consumers in this segment had the least positive attitude towards purchasing books online compared to the other two segments. Within this segment a majority of 61.6% did not consider the experiences and opinions of their family at all, while they showed a more positive attitude towards the experience and opinions of their friends. The impact of the Reference Group online forums, was in line with the Reference Group family, where a majority of 66.3% did not consider the experience and opinions that were discussed. To summarize the variable of Reference Group one can find that the experience and opinions of family and online forms were not
affecting the consumer at all while the experience and opinions of their friends were taken into some minor consideration.

Other variables such as Demographics and Time Spent Online were very similar to the other segments and particularly to Segment Two. Almost no difference could be found. What might separate them in these variables was that this segment spent slightly more time online. The respondents in this segment list that they mainly used the Internet for fun and thereafter for information as both secondary and tertiary use. Because of the identified characteristics of this segment, we chose to label them Bargain Seekers.

**Primary Factor of Concern for Bargain Seekers**

In this segment the preferable factor of concern was Price with 46.5% of the respondents agreeing to it. The distribution was clearly made on the expense of both the factors Trust and Convenience. The distributions of the factors trust were 30.2%, and convenience was 23.3%.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>40</td>
<td>46.5</td>
<td>46.5</td>
</tr>
<tr>
<td>Trust</td>
<td>26</td>
<td>30.2</td>
<td>76.7</td>
</tr>
<tr>
<td>Convenience</td>
<td>20</td>
<td>23.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

We found the Bargain Seekers to be highly price sensitive and that they did not give much consideration to the factor Convenience.

After having investigated the attributes further, that constituted the factor Price, we found that the respondents had a more positive attitude
towards comparing prices than they had towards the feeling of saving money when they purchased books online. This indicated that comparing prices was more important concern for the respondents of the segment and since the respondent were comparing prices they would automatically be looking for the best buy. By looking for lower prices one is consequently trying to be saving money. We were linking this behaviour to the first attribute, the feeling of that they were saving money. By closer looking at the attribute “comparing prices” it showed that the consumers did frequently compare price before purchasing and also that it was important for them to be doing so. When looking at the second variable we see that the consumer did agree that purchasing books online saved money. However, they did not feel that it was as important as comparing prices. Overall the respondents were highly positive to the factor *Price* and therefore took consideration to it when purchasing books online.

The primary concern for the respondents in this segment showed that the respondents were price oriented, for the secondary concern they stated that they were *Trust* oriented and as tertiary concern they listed *Convenience*. These results matched with the distribution that we acquired according to the Fishbein model.

The *Bargain Seekers* has had a low income which made them price sensitive. They were, however, not Convenience oriented; instead they took their time to compare the prices online which was shown by the different attributes to the factor *Price*. It should also be noted that they spent a little more time online than the other segments. They considered the experiences and opinions of their friends which also showed that they were actively seeking the lowest prices and that it was important for them to do so. That behaviour explains the fact that the respondents found comparing prices to be more important than actually saving money, but as explained before, constantly searching for the lowest prices will automatically result in the want to be saving money.
6.4 Summary

The three segments that were found show a significant difference in the primary factor of concern. The general distribution showed that the factor Price was the primary factor for the entire population sample, and that the second factor was Trust which was closely followed by Convenience.

When segmenting the respondents through the different variables we found that Segment One were mainly trust oriented and the respondents had a high positive attitude towards purchasing books online. As they did spend the most money, in comparison to the other segments we chose to label them High Spenders.

Segment Two were mainly Price and Convenience oriented and therefore took the most consideration to the opinions and experiences of the Reference Groups. As they low disposable incomes and were somewhat convenience orientated when acquiring information about low prices, we chose to label them Price Easers.

Segment Three were highly Price oriented and therefore actively involved in searches for the lowest prices online. They considered the experiences and opinions of their friends to some extent before purchasing books online while, and were actively searching for the lowest prices. Hence, we chose to label them Bargain Seekers.
7 Conclusions

This chapter will present the conclusions that were drawn from the analysis of the research. It will also give implications for online book retailers and discuss further research possibilities.

When a consumer purchases a book online, he or she is affected by various factors. The main influencing factors have been identified as Price, Trust, and Convenience. The Price factor exists because prices are often lower on Internet stores compared to physical stores due to lower costs. Purchasing a book online can greatly benefit the consumer in terms of convenience and saving money. It is also convenient to shop on various book sites with different assortments, from the home. Trust is evidently needed since the consumer must share detailed personal and financial information when purchasing a book online. These types of data include the full name, delivery address and credit card number for example, which makes Trust an important factor.

To be able to see how these factors affect consumers, we conducted a survey at the University of Kristianstad. We found that the factor Price is of the highest concern to the students and that the factors Trust and Convenience had lower impact on the students. The decision was made to investigate if any segments could be found within the population sample. We identified three segments, High Spenders, Price Easers, and Bargain Seekers. We further investigated these segments and their overall attitude towards the factors Price, Trust, and Convenience. We found that there was a difference in the consumers’ attitude towards the different factors which resulted in the following implications that will be presented below. So far we have answered the four first research questions and the last two questions will be answered in the following conclusion.
7.1 Implications for Online Book Retailers

The majority of all the respondents were overall mainly concerned with the factor Price. This factor was shown to be present not only as the primary choice but also as a secondary choice within Segment One (High Spenders). This high importance for the factor Price had been expected since the population we choose to investigate consisted of students, which generally have a low disposable income that makes them price sensitive. Having the lowest prices as a retailer is a strong indicator for succeeding in being the market leader among students. As our research showed, the factor Price is not the only and in some cases not the primary factor, which the consumers tend to regard before purchasing books online. Overall, the factors Trust and Convenience were regarded as secondary choices among the overall respondents, but when looking at the segments we found that in Segment One (High Spenders) Trust was considered to be the most important.

If the retailers would specifically target students as consumers, the following implications could be relevant for retailers:

- Discount prices
- A transparent and reliable retailer
- Fast transactions

By investigating the segments we found that Trust was the factor that the High Spenders had the most positive attitude towards when purchasing online. Since these are consumers that spend the most money on purchasing books online, thereby indicating the importance of this segment, even though it was the smallest of the three segments. These consumers mainly need to feel secure are aware of the reputation of the retailer when they purchase books online. The High Spenders prefer to purchase from the same retailer they trust, indicating that they
also are loyal consumers. The customer loyalty could even be enhanced by a Loyalty Program that rewards and encourages loyal buying behaviour. If online book retailers would to target High Spenders the implications from this segment would be that the retailer:

- A transparent and reliable retailer
- Focus on customer satisfaction
- Loyalty Program

The segment Price Easers are mainly price oriented and tend to be convenience oriented. They want to purchase books at low prices because of their low income, but they want to spend the least amount of time as possible with the least amount of effort when purchasing. They are the largest segment group of the three and an important segment in terms of size. They are at the same time consumers that strongly believe that purchasing books over the Internet is more convenient than purchasing books offline, which implies that their purchases will increase as their income increases. They buying decisions are influenced by their friends since they do not like to spend time searching for the lowest prices, the implications would result in a logical site navigation would be helpful for time saving. In order to attain customers, the retailer could for example rely on a strong Word of Mouth Marketing approach, where the retailer develops customers that believe so strongly in the retailer that they freely try to convince others to buy and use it. This approach is known as Evangelism Marketing (McCornell, 2002) and could be further enhanced by the support of customer engagement. Therefore the implications for retailers who wish to target Price Easers are the following:

- Price competition
- Customer engagement and Evangelism Marketing
- Easy access and site navigation

The segment *Bargain Seekers* are highly concerned with the factor Price. They are the second largest segment that is made up of 38.0% of the overall respondents. These consumers are active price seekers as that they actively compare prices and turn to their friends for information regarding experiences and opinions before an online book purchase. They tend to spend more time online, than the other segments and do not tend to consider the *Convenience* factor when purchasing books online. They also have the least positive expectations and experiences with online book purchases, compared to the two other segments. Improving the consumer experience when buying online, would lead to a more positive attitude and thereby more purchases. The implications for retailers targeting *Bargain Seekers* are the following:

- Focus on consumer satisfaction

- Price competition

### 7.2 Self Criticism

The collection of our primary data was conducted through a survey. When we had decided upon a population to research, we were affected by a lack of time in our decision making process, and consequently focused on visiting large classes for receiving answers from as many respondents as possible. This then resulted in a large number of respondents being in similar age groups. As a consequence, the respondents where to large extent attending the same semester due to that we collected data from a few larger classes. This made it in its turn necessary for us to segment in a different way than what we first had anticipated. The lack of time also resulted in that merely a limited number of respondents could be collected. If the number of respondents
would have had been larger, the significant variance could to a greater extent affect of the factors which would have resulted in a more valid investigation and higher generalisability of the research.

One could also argue according to the results, that the respondents were too absolute in their perception and perhaps would have needed to answer on a smaller scale than one with seven alternatives to choose from.

7.3 Future research
After having conducted our research and considering the limitations in time and resources that we had been facing, it would be of interest to examine our research topic further as well as more profoundly. Below, we have listed a few deductions for possible future research:

- It would be interesting to conduct a survey at another university. If this would be done and similar results were discovered, one could apply generalisability to the results

- Conduct a survey on a larger sample, also including people that are not students and segmenting according to that. This could find new segments, with new analytical possibilities.

- This research was conducted from the consumers point of view, and if could also be conducted with greater focus towards the online retailer.

- We found that Price, Trust and Convenience were factors that are important when a consumer decides to purchase online, but it would be interesting to see whether the concepts of these factors are perceived equally between all consumers or if there were any discrepancies.
Furthermore, it would be of interesting to see if the factors were
the same for other good that are traded online. In general, this
research could be conducted with a greater range of goods and
with greater detail towards the specific factors.

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Corporate Authors:

Arbeitsgemeinschaft Online-Forschung e.V. [AGOF e.V.], 2007

Quotations:

Donal Rogan, FH Joanneum Graz, 28 May – 1 June 2007, International Consumer Behaviour
Appendix

The Questionnaire (translated into English):
Online book shopping patterns
Mark ONE alternative with an x

3.1) Is there a physical bookstore that provides you with course literature in the city where you live?
   □ Yes  □ No  □ Do not know

3.3) Average expenses in kronor spent on books per month
   □ < 200kr  □ 200 – 399kr  □ 400 – 599kr  □ 600 – 799kr  □ 800–999kr  □ > 1000kr

Attitude towards online shopping
Circle the number that represents your choice.

4.1) My past experiences with shopping online have been on an average:
   Very Bad  1  2  3  4  5  6  7  Very Good

4.2) My future expectations with shopping online are:
   Very Bad  1  2  3  4  5  6  7  Very Good

Social characteristics – Importance of reference groups

5.1) The opinions and experiences of my family affect my purchase decision:
   Circle the number that represents your choice.
   Not at all  1  2  3  4  5  6  7  Very much

5.2) The opinions and experiences of my friends affect my purchase decision:
   Circle the number that represents your choice.
   Not at all  1  2  3  4  5  6  7  Very much

5.3) The opinions and experiences discussed in online forums affect my purchase decision:
   Circle the number that represents your choice.
   Not at all  1  2  3  4  5  6  7  Very much