IDENTIFYING AND ANALYSING THE PROBLEMS AND DIFFICULTIES IN ONLINE BUYING PROCESS FROM SWEDISH E-CUSTOMERS’ PERSPECTIVE

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ABSTRACT

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Title Identifying and analysing the problems and the challenges in online buying process from Swedish e-customers’ perspective

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Keywords E-commerce, B2C, e-customer buying process.

Research questions “What are the most common and serious existing problems and difficulties in the online buying process from Swedish customers’ perspective?”

Sub question: “Why did those problems exist and is there any way to solve it?”

Purpose The purpose of this research work was to investigate the disadvantages and difficulties that exist in each stage of customers’ online buying process.

Method This thesis majorly implied the quantitative study method to find the answer of research question. An online questionnaire survey was run to collect primary data. Finally 295 qualified data was analysed. Secondary data was mainly collected from internet, articles are mostly found through Google scholar and Emerald.

Conclusion -Problem recognition & Information search stage: Hard to tell unreliable online information through search engine and useless promotion e-mail. (due to e-customers’ IT skill and online shopping experience and e-retailers’ improper online marketing strategy.)
-Evaluation stage: Difficult to perceive the products accurately. (limitation of mixed mode buying.)
-Decision stage & Purchase stage: Cheating issues and loss of privacy (phishing and malware, also effected by e-customers’ IT skill and online shopping experience.)
-After-purchase stage: Bad customers’ service and Communication issues, shipping problems. (Shifting responsibility, and unlike trading face to face, the transparency of online shopping is low.)
-Possible solution: An online trading platform with integrated data.
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Glossary

**E-commerce**  It refers to Sell online or being able to transact online (Chaffey & Smith, 2013).

**E-customer**  Customer who purchases products or service online. (Chaffey & Smith, 2013)

**E-retailer**  The companies who conduct its business online through online shop. (Gay, Charlesworth, & Esen, 2007)

**Buying decision process**  The process a customer made when he/she is going to buying something. (Kotler & Armstrong, 2010)

**Online frauds**  Cheaters use several ways to steal credit/debit card details or personal information of e-customers for illegal purpose. (Miyazaki & Fernandez, 2000)

Abbreviations

[E-commerce]  Electronic commerce

[E-retailer]  Electronic retailer

[E-customer]  Electronic customer

[B2C]  Business to Customer

[IT]  Information Technology

[FUD]  Fears, Uncertainty and Doubt
Table of Contents

1 INTRODUCTION

1.1 BACKGROUND

1.2 PROBLEM DESCRIPTION: E-COMMERCE AS FOR TODAY

1.3 RESEARCH QUESTION:

1.4 RESEARCH PURPOSE:

1.5 DELIMITATION

2 THEORITICAL FRAMEWORK

2.1 DEFINITION OF E-COMMERCE

2.2 INFORMATION TECHNOLOGY AND INTERNET

2.3 THE DIFFERENT PARTIES INVOLVED IN THE BUYING PROCESS

2.3.1 E-CUSTOMER

2.3.2 E-RETAILERS

2.3.3 ELECTRONIC PAYMENT SERVICE COMPANIES AND BANKS

2.3.4 ADDITIONAL FUNCTIONS IN ONLINE BUYING

2.4 E-CUSTOMER BUYING PROCESS

2.4.1 DEFINITION: BUYING DECISION PROCESS

2.5 UNDERSTANDING CONSUMER BUYING PROCESS IN E-COMMERCE

2.6 DEFINITION: E-CUSTOMER BUYING PROCESS

2.7 MODEL OF E-RETAILERS’ STRATEGY TO MANAGE E-CUSTOMERS BUYING PROCESS

2.8 SOME POTENTIAL PROBLEMS AND CHALLENGES FROM THE E-CUSTOMERS’ PERSPECTIVES

2.9 PROBLEMS IN THE BUYING PROCESS OF E-CUSTOMERS

2.9.1 ONLINE TRUST AND SECURITY

2.9.2 E-RETAILING STRATEGIES

2.9.3 SPECTRUM OF INCIDENTS

3 METHODOLOGY

3.1 RESEARCH METHOD

3.1.1 RESEARCH STRATEGIES

3.1.2 RESEARCH APPROACH

3.2 DATA COLLECTION

3.2.1 PRIMARY DATA: QUESTIONNAIRE SURVEY
3.2.2 Secondary Data 29
3.2.3 Choice of literature 29
3.3 Survey design and data analysis 29
3.4 Validity and reliability 32
3.5 Research ethics 32

4 FINDINGS 34
4.1 The sample of respondents and e-customers: 34
4.2 E-customers’ perception of online shopping 38
4.3 Problems existing in each stage of online buying process 44

5 ANALYSIS 56
5.1 Problem recognition and information search stage. 56
5.2 Evaluation stage 57
5.3 Decision and purchase stage. 58
5.4 After purchase stage. 60

6 CONCLUSION 61
6.1 Conclusion for the research 61
6.2 Future research 62

REFERENCES 63

APPENDIX 1: RESULT OF QUESTIONNAIRE SURVEY 67
LIST OF FIGURE AND TABLES

Figure 1-1 B2C E-commerce turnover in Europe (E-commerce Europe, 2013) 1
Figure 1-2 E-commerce of Sweden (E-commerce Europe, 2013) 2
Table 2-1 A summary of motivation, expectation and fears of e-customers (Chaffey & Smith, 2013, ss. 165-174) 8
Table 2-2 FUDs’ about negative aspects of e-commerce (Chaffey & Smith, 2013, p. 175) 8
Figure 2-1 different categories of internet users (Gay, Charlesworth, & Esen, 2007, pp. 188-189) 9
Figure 2-2 types of online presence (Chaffey & Smith, 2013, p. 12) 10
Figure 2-3 buyer decision process (traditional customers) (Kotler & Armstrong, 2010) 13
Figure 2-4 E-customers’ buying process (Chaffey & Smith, 2013, p. 182) 15
Figure 2-5 the buying process and how it can be supported by site content (Chaffey & Smith, 2013, p. 184) 17
Table 2-3 A summary of e-retailer’s strategies and their effect on buying process (Chaffey & Smith, 2013, p. 184) 19
Figure 2-6 Limitation of an e-customer (own model) 21
Figure 2-7 Online trust and security and e-tailing strategies (own model) 22
Figure 2-8 Trust & security effects in Spectrum of incidents 23
Figure 2-9 E-retailing strategies in the model of spectrum of incidents 24
Figure 2-10 the possible incidents (own created) 25
Figure 3-1 the process of deduction (Bryman & Bell, 2011, p. 11) 27
Table 3-1 the design of the survey 30
Figure 4-1 Gender distribution of respondents 34
Figure 4-2 age distribution of the respondents 35
Figure 4-3 education and skill level of respondents 35
Figure 4-4 Occupation of the respondents 36
Figure 4-5 income level of respondents 37
Figure 4-6 personal consumption of respondents
Figure 4-7 buying pattern/behavior of respondents
Figure 4-8 factors motivate shopping online
Figure 4-9 discouraging factors for online shopping of respondents
Figure 4-10 frequency of negative online shopping experience
Figure 4-11 causes of negative experience listed by respondents
Figure 4-12 expectation of respondents in e-commerce in future
Figure 4-13 participation of respondents’ friends in nowadays e-commerce
Figure 4-14 common ways when respondents search information online
Figure 4-15 problems with searching information online
Figure 4-16 most common methods of evaluation chosen by respondents
Figure 4-17 most common problems in evaluation faced by respondents
Figure 4-18 factors helping respondents to make a decision
Figure 4-19 payment method most commonly used by respondents
Figure 4-20 respondents who purchase for online subscriptions
Figure 4-21 average number of subscriptions ran by the respondents per year
Figure 4-22 problems faced by respondents while managing their online subscription
Figure 4-23 Problems of paying online
Figure 4-24 factors behind choosing a payment method by respondents
Figure 4-25 the types of online cheaters
Figure 4-26 the types of bad online customer services
Figure 4-27 reasons for delayed delivery
Figure 4-28 average delayed delivery waiting time
1 INTRODUCTION

This chapter gives an introduction about nowadays e-commerce and possibly difficulties, research question and research purposes are also clarified. Additionally, delimitation and limitation are explained in this chapter.

1.1 Background

E-commerce is an industry which buying and selling of products and services are made through electronic systems such as Internet (Chaudhury & Kuijboer, 2002). Since the year of 1979; Michael Aldrich demonstrated the first online shopping system to the world (Kapczynski & Tkzca, 2009). E-commerce came into the public and drew attention from researchers and businessmen. In the year of 1992, Snider and Ziporyn (1992) argued that Internet technology might change the way of buying and selling, and trade online might be a trend in the future. Compared with buying from a brick-and-mortar store, e-customers do not have to travel several miles away just to buy something that difficult to find at local store, they can enjoy the shopping by only sitting in front of the computer and easily find out whatever they want.

As it is illustrated in Figure 1-1 (E-commerce Europe, 2013), E-commerce is a well-developed concept in Europe and based on the most recent facts and statistics at E-Commerce Europe (E-commerce Europe, 2013), by the year of 2010, Europe has become the biggest e-commerce market in the world that exceeded the USA. The annual trade value of 2011 reached €311.6 billion with grew by 19% compared to 2010. It is also mentioned that in the year 2012 the total value of E-commerce in Northern Europe (Sweden, Denmark, Finland and Norway) reached €28.7 billion and this amount includes 15.1% growth compared with 2011.
Based on figure 1-2 (E-commerce Europe, 2013), in the thesis targeted market: Sweden, there are 119 mobile subscriptions made per 100 households in the year of 2012. Additionally approximately 80% of Swedish Internet users had online purchasing experiences in last 12 months.

Moreover, Based on recent research (Postnord, 2013). the population size of age 18-79 in Sweden is 7.13 million, among them, 1.524 million consumers go shopping online as least once a month. Additionally, 1.9 million Swedish people have purchase products from foreign websites, 1.5 million Swedish people buy from foreign website every month. 20 percent online shoppers of Sweden have purchased products using a mobile platform by the year of 2012. Mobile commerce has been more and more common in recent years in Sweden. Books, clothing and electronic products have been top three favorite products that Swedish consumers like to purchase online. Invoice, direct bank payment and credit & debit card have been three most common ways for Swedish consumers to pay online.

From those facts and numbers that mentioned above, it could be ensured that Swedish market has a well-developed background of E-commerce, Swedish consumers have adequate buying power, broad internet popularized, and a high level acceptance for the way of online shopping, and the e-commerce is still developing in an unstoppable trend in Sweden.

Based on the argument above, it seems that E-commerce provides incomparable convenience to customers and great business opportunities for companies. Moreover it is popular and accepted by more and more customers. But is e-commerce a perfect business model that is completely advanced with no disadvantage at all? The answer is “No”. As more and more argument arises about bad online shopping experience (Web Of Trust), it is easy to find out that many customers had bad online shopping experience that really made them frustrating and lose confidence about it. It was majorly because of fraudulent practice of online sellers. Moreover some companies lost benefits and reputations because of some unethical and dishonesty behaviours to online buyers (Liu, 2011). Those problems brought difficulties to the developing of e-commerce and also conducted a vicious circle between online buyers and sellers, they are losing trust with each other and then inevitably this would generate negative effects during interactions between each other.

These difficulties and problems are described with details in the next part.
1.2 Problem description: E-commerce as for today

As it is known that e-commerce is a common trend that is developing in an amazing speed recent years (E-commerce Europe, 2013), but everything has two sides, based on existing argument (GrenFell), there exist several issues in nowadays e-commerce that could cause bad online shopping experiences for customers.

Based on existing survey (Web Of Trust), it is seen that half of respondents had both good and bad online shopping experiences among those people shopped online. According to the explanations about those bad experiences (Web Of Trust), it is demonstrated that the first problem is the crisis of trust from customers’ perspective. Before customers make buying decision, what the online buyers most worry about is whether they will get cheated or not. Those Internet frauds make consumers lose trust once it happens.

Actually several researchers and scholars have done some studies regarding online trusts (Gustavsson & Johansson, 2006), The trust between online seller and online buyer has been the essential key for online business, once the online buyers lose trust, they might never buy any more. This is a great barrier for the developing of e-commerce that cannot be ignored. In this thesis the study target was not consumer, but this thesis was trying to identify and analysis those issues of e-commerce that break trust from consumers’ perspective. Indeed, as e-commerce is quite a new conception to public, in academic area there are very few existing articles that have systematically and thoroughly identified and discussed those issues of nowadays e-commerce, that’s also why this thesis is worth to be conducted.

According to the study of trust in e-commerce (Rachel & Caterina, 2012), what might makes consumers worry is losing money while not getting products in online shopping. In another word, they get defrauded by Internet frauds. Based on most the shared information about those frauds (Web Of Trust), two most common Internet frauds is: Phishing and malware

Phishing: According to the recent research about phishing (Ramzan, 2010), it is a kind of fraudulent conduct that the frauds disguise to be some official organisations that requires the customers to offer their personal and bank information through online communication, thus those frauds could easily take money from customers.

Malware: Based on the definition of Malware (TechTerms), It is the malicious software that could easily be installed and operate without the permission of computer’s administrator, it is used to collect sensitive personal data and undermine the system. Thus those data that collected by malware would be transferred to hackers; they could use it to do some unethical and illegal behaviour.

Additionally, according to Rachel & Caterina (2012) and Chaffey & Smith (2013), there also exist some other issues that might cause bad experiences for customers. Such as: poor web design, inconvenience of online communication, long waiting time of shipping, product doesn’t match description and etc.

But definitely, it is not true that the customers always act as the disadvantaged group in e-commerce, sometimes the companies also do. In recent years, it happens pretty frequently that some unethical customers conduct fraudulent actions through PayPal (Michel, 2013). But in
this thesis that situation is not considered, this thesis only emphasize on customer’s perspective.

Thus, it is fact that there are problems existing in nowadays e-commerce, and those problems will be clearly identified through primary data and analysed in the later part of the thesis.

1.3 Research question:
The main research question of this thesis is constructed as below:

“What are the most common and serious existing problems and difficulties in the online buying process from Swedish customers’ perspective?”

A sub question is also prepared to find some further information:

“What did those problems and difficulties exist and is there any way to solve it?”

This thesis is majorly trying answer the main research question by running a survey to find out those problems existing in each stage of e-customers’ online buying process nowadays. First and foremost, the question for “what are the most common and serious problems and difficulties” is discussed and answered. Additionally, an in-depth discussion is given to find out why those problems exist and is there any way to solve it.

1.4 Research Purpose:
The purpose of this thesis is to get a better understanding of nowadays e-commerce by finding out those problems and difficulties that Swedish customers face when they go shopping online. Additionally, several discussions are given to provide some inspirations for businessmen and researchers to find out a solution to solve those problems in order to create a better performance of future e-commerce.

1.5 Delimitation
According to Chaffey & Smith (2013), e-commerce is such a broad conception that it contains different online business activities in different level. But in the thesis, the study is especially and only focused on the online buying process of e-customers in B2C business. Moreover, this thesis is only focused on finding and analysing the most common and serious problems, for other problems that few people have are mentioned in this thesis but not emphasized. Because from economic point of view, to maximize the profit of e-commerce, it is the majority group of customers should be mostly considered but not the minority.
In this thesis, the products segmentation and customer segmentation are not implied. However, the issues of buying different products might be slightly different between buying different types of products. Additionally different consumers that have different habits of buying may face different issues individually. As it was mentioned above, this thesis only emphasize on the most common issues that most of online buyers are facing.

Due to the limitation of snowball sampling technique, the respondents may not be completely random and totally Swedish; additionally it might contain some community bias because the first respondents might have impact on the sample (Atkinson & Flint, 2004).
2 THEORITICAL FRAMEWORK

This chapter illustrates relevant theories about e-commerce and customers’ buying process. The purpose is to provide a better understanding of e-commerce for readers, meanwhile provides a reliable support for identifying and analysing those problems and difficulties in latter chapters.

2.1 Definition of E-commerce

According to Chaffey & Smith (2013, p. 14), e-commerce refers to sell online or being able to transact online. The term e-commerce there describes business activities such as e-tailing which refers to selling directly to customers online. Using online bank facility to make any kind of payment on internet is another aspect e-commerce. And buying a product online refers to e-commerce.

According to Rayport & Jaworski (2001), the definition of e-commerce refers to exchanges which are made by using technology. The exchanges consist of trading of products and values.

Chaffey & Smith (2013) made further explanation that a broader definition of e-commerce includes various management and administrative activities that are required for selling online. Rayport & Jaworski (2001) acknowledged that e-commerce also describes all the activities undertaken within an organisation to facilitate exchange using technology. Therefore the definition of e-commerce can be described as conducting commercial activities using technology such as internet.

Porter (2001) has mentioned internet technology is technological invention that allows people to interact with each other globally. This technology is expected to influence the conventional concept of commerce and create new industries within commerce.

Gay (2007) argued the implications of internet technology as Internet is an important tool for business. He mentioned that internet allows faster communication, and varied way of communication and presenting information such as it takes less time to send out information via internet. Internet allows using different media such as photograph, audio or video to represent information.

2.2 Information Technology and Internet

According to Carr (2003) information Technology was born in 1968. And it came into existence when a young engineer working for Intel created a microprocessor. Microprocessors create the functional modern day computer which is used to process, store and transport information digitally.

Carr (2003) discussed the beginning and development of IT. He argued that IT reached its highest potential as IT infrastructure was developed. As a result many people could access IT. The fact that IT equipment became much more widely available and this availability implied that IT had been commoditised. Until that point IT was exclusive part of an organisation or an institution.
Carr (2003) also argued that IT had become an integral part of a business environment. Universal Distribution Network also termed as Internet had become a common addition to people’s lifestyle. Due to that IT had reached its peak and now it is just an accepted amenity. And the same development pattern was observed in the past history when Railway and Electricity was first introduced.

According to Vishwanath & Mulvin (2001), Internet has many usages and the scope of usage is not limited. In fact Internet can be used creatively, and its scope depends on how creatively it has been incorporated.

### 2.3 The different parties involved in the buying process

According to Rayport & Jaworski (2001), “E-commerce can be described as technology mediated exchanges between parties (individuals or organisations).” (P.5)

The quotation above refers to the fact that e-commerce involves two or more parties. To complete an exchange there are several possible communication options online. The terms C2C, B2C, C2B and B2B are acronyms which refer to Customer to customer, Business to customer, Customer to business and lastly Business to business communication. In this thesis B2C, Business to customer interaction was chosen. In B2C environment interaction is initiated by the seller targeting the customers. (Chaffey & Smith, 2013, p. 9)

#### 2.3.1 E-Customer

Who are they?

While comparing e-customer with traditional definition of customer, Chaffey (2013) described “Understanding online customers is even more important, as the geographical and cultural spread is often much wider” (P.157). In this argument it could be seen that e-customer includes any random person without any national boundaries.

Some unique characteristics of e-customer:

- There are clear differences between customers looking for a product or buying a product online and a customer buying offline in a traditional physical store (Chaffey & Smith, 2013, p. 157).
- As e-customers people can influence a company on a greater extent than a traditional customer. Therefore e-customers are perceived as empowered customers who can create both negative and positive impact for a company depending on how the companies manage their customers. (Chaffey & Smith, 2013, pp. 157-160).
- E-customer is commonly defined as “money rich, time poor”, and they look for convenience when they choose to buy online. (Chaffey & Smith, 2013, p. 161).

The motivation, expectation and fears of e-customer
<table>
<thead>
<tr>
<th>Why do they go online?</th>
<th>What do they expect?</th>
<th>Fears and Phobias</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socialising</td>
<td>Fast and reliable search results</td>
<td>Fears</td>
</tr>
<tr>
<td>Online shopping</td>
<td>User friendly websites</td>
<td>• Hacking and lack of privacy</td>
</tr>
<tr>
<td>Expressing their interests</td>
<td>Competitive price</td>
<td>• Stolen credit card details</td>
</tr>
<tr>
<td>Entertainment</td>
<td>Accurate and timely notification</td>
<td>Phobia</td>
</tr>
<tr>
<td></td>
<td>Secrecy of personal data and security of payment details</td>
<td>• Hoaxes, viruses and spam</td>
</tr>
<tr>
<td></td>
<td>Secure courier of valuable purchase</td>
<td>• Hate mails, fake mails</td>
</tr>
<tr>
<td></td>
<td>On time delivery</td>
<td>• Cyber stalking</td>
</tr>
<tr>
<td></td>
<td>Fair return and replacement policy</td>
<td>• Inaccurate information</td>
</tr>
</tbody>
</table>

**Table 2-1A summary of motivation, expectation and fears of e-customers**  
*(Chaffey & Smith, 2013, ss. 165-174)*

An E-customer has FUDs (Fears, uncertainties and doubt)

In many cases an e-customer has to share and submit personal data with a seller. In such a case an e-customer is by nature hesitant before taking part in a purchase or subscribe to a portal or media site.

**An e-customer’s FUDs about using Facebook connect (Fears, uncertainties and doubt)**

- What exactly happens when I connect?
- What data is shared and saved by information and content publisher?
- Can I disconnect? Is it easy to disconnect?
- What is the benefit of connecting?
- Will this new web have access to my friends?

**Table 2-2FUDs’ about negative aspects of e-commerce** *(Chaffey & Smith, 2013, p. 175)*
Even though e-customers are spread all over the world yet it is possible to create profiles of the customers based on geographic, demographic, psychographic and behavioural category of customers. In data collection part of this research the people who replied could be analysed according to some these segmentations. We can infer from the model of different categories of internet user, not all internet users’ are e-customer but all e-customers’ are internet users.

According to Gay (2007), Wired4life refers to the internet users who are intensively connected to the internet and use internet to carry out professional activities, daily chores and leisure activities. Surfing suits on the other hand refer to people who use internet mainly for official purpose and use it mostly as a tool. Dot com dabblers on the other hand have little reason to use internet either as official purpose as Surfing suits, or with deep interest as Wired4life. However Dot com dabblers show occasional interest or feel the need to use interest, this group includes the retired people who are still active in their lives.

Silver surfers refer to the section of people who seldom or never uses internet this case can be illustrated as an elderly person video calling his/her family members who lives far away from him/her. The other two categories are virtual virgin who have never been connected to internet, but may choose to try it on his/her own accord. And wireless wonders are people who are not even aware that internet exists.

As mentioned previously in the above table The motivation, expectation and fears of e-customers people go online to socialise, express themselves and to get entertainment and in addition to these they can also shop online. That explains that there is a difference between internet user and e-customer. However e-customers can have segmentation characteristics according to what kind of internet user they are. When e-customers are segmented, the demographic analysis is carried out, which shows what are the age bracket of the e-customers’ for a particular product or seller. This refers to that different categories of internet users have different characteristics as e-customer in case they choose to buy something online.
2.3.2 E-retailers

Online retailers conduct their business through e-shops or e-malls. E-shops refer a B2C company that aims to earn revenue by selling online. A B2C company advertises their products online and looks to expand themselves in e-commerce. (Gay, Charlesworth, & Esen, 2007, p. 47)

E-malls are similar in nature though it refers to a group of small online retailers. That aggregate on a same website and are benefited jointly by drawing in customer.

The businesses that has strategic online focus are termed as Clicks & mortar and Clicks & content and Pure players. The remaining term Bricks &mortar refers to traditional commerce business. Clicks & mortar companies already have a presence in traditional commerce. And they are trying to launch themselves online. A company gradually incorporates the transition from Brick & mortar to pure players. Therefore most of the companies that are already established and yet own an e-shop can be termed as Clicks & mortar. (Gay, Charlesworth, & Esen, 2007, p. 54)

There are many different types of online presence. And not all the companies sell products online. Therefore having a website can serve a host of different purposes. In the following diagram first category of presence is directly related to customer buying process since that category consists of e-shops, e-malls (Gay, Charlesworth, & Esen, 2007, p. 104).

Figure 2-2 Types of online presence (Chaffey & Smith, 2013, p. 12)

- Transactional e-commerce site
These sites are dedicated to selling products and earning revenue for the seller through the sales. Some notable sellers are e-retailers, manufacturers, travel or financial services
provider. Therefore e-customers play a role by buying products from these sites. (Chaffey & Smith, 2013, p. 12)

- Portal or media site
  These sites are mainly focused to provide information and content for the internet users. However in some cases they allow access to their information and content via subscription fees. Subscription fees is a pre-determined fee that an internet user pays to access the information and contents published on a site over a period of a month or year depending on what period a portal or media site owner has decided upon. (Chaffey & Smith, 2013, p. 104)

2.3.3 Electronic payment service companies and Banks

Online payment involves various parties such as banks that provide online banking. Based on existing research (Dutta, Jarvenpaa, & Tomak, 2003), the following methods of payment are most common way for online paying,

- Debit card
- Credit card (Visa/MasterCard)
- Internet merchant account (World pay)

Gay (2007) introduces this function with the term payment mechanism. Payment mechanism refers to “a means by which economic value is transferred between two parties, sometimes using some intermediaries” (P.136). According to Kalakota & Robinson (2003), most of the online purchases are paid using electronic payment methods. Electronic payment is paperless therefore it differs from conventional form of cash payments. Since it is not necessary to transport the money physically, therefore the transfer of value is much faster and cheaper. Previously it was additional higher cost of administration to transfer the value of a purchase (Kalakota & Robinson, 2003).

Despite the above advantages there are considerable risks in electronic payment. The risks arise because the payment is automated. In case someone intercepts the transferring data of a customer then that person can use the stolen card details to pay for his/her own purchases. And the customer will have to pay for the purchases made by the person who stole the card’s detail. (Kalakota & Robinson, 2003)

- Digital Cash
  Digital cash refers to an electronic payment method. The method involves a customer and his/her bank. The customer needs any one of the cyber wallet software installed in his/her computer. Once the installation process is completed the software sends a request to the customer’s bank to deduct the amount requested by the customer. The amount is then added to the cyber wallet. Then a customer can pay with coins stored in cyber wallet and the online seller sends the coin to the customer’s bank. And the bank transfers the requested amount to the vendor’s account. (OMahony, Peirce, & Tewari, 1997)

- Electronic credit/debit card payment
Even though credit/debit cards were introduced for traditional payment methods. One could pay with credit/debit cards at any physical shop that accepts the cards. As online shopping became more common they were introduced for electronic payment. Many of the Credit/debit cards are used according to the specification Secure Electronic Transaction (SET) which has been jointly created by MasterCard and Visa. SET constitutes of public key cryptography and digital certificate. Digital certificate refers to an electronic authorisation which most commonly is a reputed bank (OMahony, Peirce, & Tewari, 1997).

By issuing the electronic certificate the bank acknowledges that the person holding the certificate is credit worthy. When the card holder pays with a credit/debit card, the person shares his/her digital certificate and card detail with the seller and this information is then sent to a payment gateway. And then both the information and certificate is verified and forward to the bank which has issued the card. As the completing step the seller is informed by the bank that the amount has been designated for transferring to the sellers account. (OMahony, Peirce, & Tewari, 1997)

- **Electronic cheques**
  Electronic cheques were introduced as a substitute of paper cheques that circulates in the traditional commerce. Some of the notable feature of electronic cheque is that it is digital. It has a digital signature instead of traditional signature. (OMahony, Peirce, & Tewari, 1997)

- **Smart cards**
  These are rechargeable plastic cards with an embedded microprocessor chip and it is able to store large amount data. And card holder can charge the card by transferring an amount from his/her account. This card can be used as a substitute for cash money. (OMahony, Peirce, & Tewari, 1997)

### 2.3.4 Additional functions in online buying

E-commerce contains the feature of distribution process in a business. And this aspect plays a crucial role in the e-customer buying process (Teo & Yu, 2005); a customer becomes dissatisfied when an order is not delivered on time.

These additional functions have previously existed with the mail order companies. The distribution is a vital piece in the overall e-commerce. According to Teo & Yu (2005), when many companies failed to sustain their operation due to inadequate focus on distribution. Because those customers who did not receive the product they have ordered online quit the business relationship with the companies.

### 2.4 E-customer buying process

The study of buyer’s decision process has played an important part in traditional marketing concepts. The reason why studying buying process is relevant can be understood from this statement, According to Kotler & Armstrong (2010), “Clearly, the buying process starts long before the actual purchase and continues long after. Marketers need to focus on the entire buying process rather than on just the purchase decision” (P.177).
The above statement illustrates that it is necessary to have a complete picture of the buying process in traditional commerce. Chaffey & Smith (2013) have also argued about it, “Online marketers must check to see that their online activities (websites, kiosks, or other e-tools) accommodate all the stages of the buyer’s buying process...” (P.130).

2.4.1 Definition: Buying decision process

The buyer decision process includes 5 consecutive steps. Each of the following can be defined as,

- **Need recognition**: “Need” refers to both internal and external stimuli. Internal stimuli can be described as a basic urge such as hunger. And external stimuli are desires ignited due to certain circumstance such as liking a product on the display. (Philip Kotler, 2010, p. 178)

- **Information search**: Once a person is aware of the need, the person can either choose to satisfy the need right away, such as in the case of internal stimuli. Or the person keeps the idea and look for information. About how to get the right product. (Kotler & Armstrong, 2010, p. 178)

  In the latter case there are several sources where the person can look for information. There are personal sources consisting advices from family and friends. Commercial sources such as advertisement and communication spread by companies can give one the information s/he is looking for. (Philip Kotler, 2010, p. 178)

  There are public sources such as magazines, consumer rating site and the internet. These sources contain information but they are as directed as commercial sources. And the final source is experiential source which refer to sharing someone’s experience. The final distinction in sources are commercial source which will inform about an available option however other sources such as personal or experiential will allow one to evaluate an available option. (Kotler & Armstrong, 2010, p. 178)

- **Evaluation of alternatives**: Evaluation process is erratic as a customer can be influenced by innumerable factors. And these factors can differ from person to person. When the customer has narrowed down the possible choices at the final stage of evaluation some logical concepts work. These concepts are evaluation of styling, operating, economy and warranty. (Kotler & Armstrong, 2010, p. 179)
• **Purchase decision:** In general a purchase decision lean towards the most preferred brand among all the alternatives available for purchasing. In case when this does not happen that is due to the following two reasons, first what others think about the person or the purchase to be made. Second any unexpected incident such as facing monetary crisis and stalling the idea of buying the product. More such instances can be finding a cheaper alternative, or getting a bad impression about the product from any source. (Philip Kotler, 2010, p. 179)

• **Post purchase behaviour:** Post purchase behaviour is the comparison between consumer’s expectation and perceived performance. In case the expectation was much higher than it is going to incite dissatisfaction in the customer. Cognitive dissonance is a common phenomenon among buyers after major purchases. When a customer purchases one of the available options, s/he weighs the benefits of other products foregone with the associated disadvantages of the product actually bought. (Philip Kotler, 2010, p. 179)

### 2.5 Understanding consumer buying process in e-commerce

The online buying process is a revised buying decision process discussed above. However there are marked differences in online model compared to the offline model.

Based on existing research (Bellman, L.Lohse, & J.Johnson, 1999), online buying model is dependent on the product that is being purchased and who is purchasing, the type of purchase and the type of buyer. When people buy something routinely they understand the process of buying because they have bought it in continuous interval. When they buy something that they are craving for, they tend to buy with little consideration about which product to choose.

- People buy on impulse
- People buy using careful consideration

There are two types of purchases for example high involvement purchase such as cars and smart phones or any other valuable products. And the other one is low involvement purchases. And high involvement purchase is when customers are buying after carefully considering the product. This is a more time consuming action. And high involvement purchase has stages which a customer goes through before making a purchase. Low involvement purchase is when a customer buys something with little consideration and therefore does not require much time. (Bellman, L.Lohse, & J.Johnson, 1999)

- Mixed Mode buying
  Mixed mode buying means a purchase which involves both online and offline interaction. And in the case where an e-customer gets information offline and purchases online is an example of mixed mode buying. (Chaffey & Smith, 2013)
This mixed buying mode describes that an e-customer can search for product information online and purchase the product online, this can be termed as pure online buying mode. Alternatively an e-customer can search for information offline and place a purchase order online via internet or that s/he can research online and purchase it offline from a nearby store, this shows how offline and online context can merge together and create mixed mode buying concept. And the last scenario where a customer run information search offline and buy offline is a traditional buying and selling definition as described in traditional commerce.

According to G. Patterson (1993), high involvement purchase requires rigorous consideration before purchasing, in such a case it is usually achieved through using both online and offline options. As a result high involvement purchase process is linked to mixed mode buying facility.

2.6 Definition: e-customer buying process

![Diagram of e-customer buying process]

**Figure 2-4E-customers' buying process (Chaffey & Smith, 2013, p. 182)**

**PROBLEM RECOGNITION**

According to Chaffey & Smith (2013, p. 182), e-customers can become aware of a need from changes that occur in their lives which happens over the time. These changes can be described using examples as getting a new job, increase in the amount of income or a broken car that needs to be replaced.

An e-customer can learn about a need from friends and family or personal sources. S/he can be influenced by friend who has bought a certain product and the person would want to get the same product him or something similar. This influence is termed as peer pressure. That a person feels forced to emulate the same things done by friends and family. (Chaffey & Smith, 2013, p. 182)

In some cases watching an interesting advertisement run by a company can help an e-customer recognise a need. In the later part of this section the model of how e-customers’ awareness is managed by companies will be discussed. This source can be termed commercial sources of information as well. (Chaffey & Smith, 2013, p. 182)
The aforementioned source is directed information for e-customers, however an e-customer can also recognise a need while reading other sources of information that are available both online and offline. These sources can include both traditional and digital newspapers, magazine, online forums and different online social media. (Chaffey & Smith, 2013, p. 182)

INFORMATION SEARCH
E-customer can gather information from both online and offline. According to the current trend, people use internet to search the web to find information. There are two types of information searching on the web, surfing and searching. Surfing refers to the activity of moving from site to site on internet (Oxford University Press, 2013). And searching refers to purchase motivated search of information. A search can be identified by tracking the time spent on a site by a visitor, and the frequency of visits to the site or product. (Chaffey & Smith, 2013, pp. 182-183)

EVALUATION
In order to evaluate a product online an e-customer can look into the contents in a site. The contents are primarily about features and benefits of the products available on the site. E-customers can either look in-depth into these contents while searching or otherwise skim through while surfing. The conveniences of evaluation depend on whether an e-customer is familiar online shopping, as bought from the online seller or has visited the particular site on a previous occasion. (Chaffey & Smith, 2013, p. 183)

DECISION
Online shops have the limitation of not providing the physical experience of a product, therefore e-customers’ need to have the opportunity of test drive or other offline way of judging product. This forms a crucial part of an e-customer’s decision making. The terms and conditions of payment is also another part of decision making. An e-customer can expect a payment facility that s/he can access using own personal financial institution. In the case where an e-customer has further queries at this stage they would want to talk to the e-retailer directly or leave his/her number to be called back later by the e-retailer. (Chaffey & Smith, 2013, p. 183)

ACTION (PURCHASE)
E-customers are known to be influenced by persuasion of buying now to get extra consideration from the e-retailers. And an e-customer completes a purchase online if s/he feels secure about doing it. The sense of insecurity here stems from the fears and phobias about online shopping as it was discussed in the previous section of Different actors in E-commerce. (Chaffey & Smith, 2013, p. 183)

POST PURCHASE
E-customers’ tend to develop a long term relationship to e-retailers’ that they are satisfied with. And e-customers’ are satisfied when they get timely and useful customer service and support from the e-retailers on e-mail or website. (Chaffey & Smith, 2013, p. 183)
2.7 Model of e-retailers’ strategy to manage e-customers buying process

The following model shows the strategy of an e-retailer to attract, engage, capture and build relationship with e-customers.

![Diagram showing the e-retailers' strategy]

Figure 2-5 the buying process and how it can be supported by site content (Chaffey & Smith, 2013, p. 184)

In order to relate this to the buying process the corresponding aspects are paired and all these corresponding actions are summarised below:

<table>
<thead>
<tr>
<th>A summary of interaction between e-customers and e-retailers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness/Problem recognition</td>
</tr>
<tr>
<td>• Use Search Engine Optimisation to convert surfer to searcher</td>
</tr>
<tr>
<td>• Use specific online portals or online forums to promote the products e.g. product review.</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
- Put on banner ads on other popular sites to redirect visitors to own site.
- Create e-customer database and prompt the e-customers to subscribe to optional e-mails with personalised offers.

<table>
<thead>
<tr>
<th>Decision</th>
<th>Purchase</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>To help an e-customer decide</td>
<td>To help an e-customer purchase</td>
<td>To create satisfied customers</td>
</tr>
<tr>
<td>- An e-retailer can provide security guarantee for a high value product.</td>
<td>- An e-retailer can create a payment process that is easy to complete</td>
<td>- An e-retailer can provide fast confirmation e-mail of a purchase.</td>
</tr>
<tr>
<td>- E-retailers can also provide service guarantee to handle any post purchase needs.</td>
<td>- The e-retailers’ can provide gifts such as first time buyer discount or gifts.</td>
<td>- The e-retailers can include FAQs on their site to give easily accessible and useful information to e-customers.</td>
</tr>
<tr>
<td>- The e-retailers can give discounts to create the final incentive to purchase a product.</td>
<td>- E-retailers need to have a good delivery function that reaches the e-customer on time.</td>
<td>- They can create e-customers’ database to record purchase history. The stored purchasing history can be used as a knowledge base to improve their service to e-customers.</td>
</tr>
<tr>
<td>- They can provide the function of locating nearest physical shop to an e-customer, to help him/her to reach can put instead of a keyword and find the product directly.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faceted search</td>
<td>can use to select a product according to own choice or configuration.</td>
<td></td>
</tr>
<tr>
<td>- They can include detailed product information as content of their site.</td>
<td>- The e-retailers can systematically put the price, availability and delivery information for the convenience of customers</td>
<td></td>
</tr>
<tr>
<td>- The e-retailers can provide consumer rating reviews on the product to help with evaluation of a product.</td>
<td>- The e-retailers can provide gifts such as first time buyer discount or gifts.</td>
<td></td>
</tr>
</tbody>
</table>
personal advice as soon as possible.

- They can alternatively provide calling back the visitor option, where a visitor leaves his/her phone number to be contacted by e-retailer later.
- The e-retailers can use consumer reviews and rating at this point to convince a e-customer to decide on the purchase

<table>
<thead>
<tr>
<th>Rewards</th>
</tr>
</thead>
<tbody>
<tr>
<td>To create a long term relationship</td>
</tr>
<tr>
<td>- An e-retailer can send digital newsletter with all the latest offers and promotions to the existing e-customers.</td>
</tr>
<tr>
<td>- The e-retailers can arrange competitions for the existing e-customers to win attractive prizes.</td>
</tr>
<tr>
<td>- They can provide reminder service for a saved shopping cart.</td>
</tr>
<tr>
<td>- E-retailers can create loyalty schemes to encourage repeat purchases.</td>
</tr>
<tr>
<td>- The e-retailers’ can send personalised offers on e-mail to the existing customers using the knowledge that was created using purchase history.</td>
</tr>
</tbody>
</table>

- They can also set up tracking functions to understand how the e-customers use their sites and how much time and how frequently do they visit their sites.

Table 2-3A summary of e-retailers’ strategies and their effect on buying process (Chaffey & Smith, 2013, p. 184)
These strategies are used to help an e-customer as s/he goes through the online buying process. Some of these strategies are offline as a result there is a combination between online and offline helps. And this combination is known as mixed mode buying. Therefore e-customer can be an extension of traditional customers. Most of these strategies are planned with a specific image of e-customers, and they into account the identified variables in e-customers’ buying process. However problems can arise if e-customers’ are not rightly identified, and the variables are not accurately defined. (Chaffey & Smith, 2013, p. 187)

2.8 Some potential problems and challenges from the e-customers’ perspectives

As it was discussed in the section 2.3.1 E-customers that e-customers’ have some unique characteristics, they usually have little time to spare but they have money to spend and they have much more power as an e-customer than a traditional customer. (Chaffey & Smith, 2013)

They have presumption of Fears and Phobias regarding online shopping. These include Security and Trust (Gustavsson & Johansson, 2006). There is Security threat as potential theft of an e-customer’s financial details that can result into misappropriation of funds of that person. And trust issues with regards to past incidents of frauds and hoaxes that were committed through internet by online miscreants. The e-customers have misgivings about the accuracy of information on internet and they also have Fears Uncertainties and Doubts (FUDs). FUDs refer to the way an e-customer assesses trustworthiness of a website before connecting to the website. Regarding what will happen once the customer is connected and if the details submitted while creating an account on the site can be misappropriated e.g. these misgivings are termed as FUD’s of e-customers. (Grabner-Kraeuter, 2002)

E-customers’ as internet user have different level of skill of using IT and internet and this also affects how does a customer goes through the process of online buying decision making process. Segmentation of e-customers include people with varied level of IT knowledge and different frequency of involving in activities online. (Hernández-Ortega, Jiménez-Martínez, & Martín-DeHoyos, 2008)

They have new lifestyle as they have added social networks to their ways of keeping in touch with friends and family and to meet new people. They now express themselves more freely and frequently. They are influenced by peer pressure and popular trends. (Hernández-Ortega, Jiménez-Martínez, & Martin-DeHoyos, 2008)
The limiting factors of e-customers

![Diagram showing the limiting factors of e-customers]

**Figure 2-6 Limitations of an e-customer (Own model)**
The above model was created during the thesis work to illustrate how these three factors create an e-customer, who reacts to online shopping according to these limiting factors. This model is then embedded on a model that was created to illustrate the problems in buying process of e-customers in e-commerce.

**2.9 Problems in the buying process of e-customers**
This model was built on some of the most common potential problems that e-customers face when they are shopping online. The set of these common problems was referred to as The Spectrum of Incidents. Spectrum means a definite area or a bounded set (Oxford Dictionary).

In this model Spectrum of incidents refer to hypothetical area where the most common problem occurs. When these common problems were analysed it was found that these arose due Trust and Security, E-tailing strategies and E-customers with aforementioned limitations
On either side of the Spectrum of Incidents are the factors that determines the nature of problems that arose in the buying process of e-customers.

2.9.1 Online trust and security

In trust and security, there are dishonest sellers who scammed unwitting e-customers by promising those products in return for money, after the e-customer has paid money, the products were never delivered to the e-customer. There are also some dishonest seller who accepts personal information of e-customers by prompting e-customers to connect to their website and then selling this information to third parties therefore breaching the privacy of their e-customers. (Gustavsson & Johansson, 2006)

The Online Security threat refers to miscreants who are active online. And these miscreants’ activities were to steal financial details of credit/debit cards that were used to pay for online
purchases by e-customers. There are miscreants who created viruses and spread those viruses online through different website thus affecting the e-customers in a negative way. (Miyazaki & Fernandez, 2000)

Online trust and security

Figure 2-8 Trust & Security effects in Spectrum of incidents

2.9.2 E-retailing strategies

E-retailing strategies refer to e-models of an online retailer. E-models are different concepts of managing various aspects of an online business. To name a few of these models Online Revenue Models, Intermediary Models, and Communication Models etc. In the intermediary model Destination site refers to a website developed by a seller. The website is unique therefore each website is different from another website. And seller can create their own vision of a website with different Online Value Propositions. E-customers’ do not prefer a poorly designed website over a well-designed website. (Kolesar & Galbraith, 2000)
Customer service refers to various services and added value that were given by sellers to the e-customers. Services can refer to Online order delivery, fast confirmation of purchase, order tracking facility and chatting with sales adviser etc. (Collier & Bienstock, 2006)

Mixed mode buying approach could only be adopted by Brick & Mortar sellers. Brick & Mortar sellers had both a website and physical stores as a result e-customers could find information about a product online on the seller’s website and to evaluate their choice further the e-customers’ could visit the physical store. This gives more convenience in evaluation for e-customers and in the cases when they could not evaluate a tangible that gave rise to incidents as unsuitable products being shipped to customers. (Chaffey & Smith, 2013)
2.9.3 Spectrum of Incidents

<table>
<thead>
<tr>
<th>Spectrum of incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fraud</td>
</tr>
<tr>
<td>2. Breach of privacy</td>
</tr>
<tr>
<td>3. Theft of credit/debit card details</td>
</tr>
<tr>
<td>4. Distribution of viruses and malware from websites</td>
</tr>
<tr>
<td>5. Difficulty to determine the accuracy of information</td>
</tr>
<tr>
<td>6. Vast amount of information to sort through</td>
</tr>
<tr>
<td>7. Poorly designed website</td>
</tr>
<tr>
<td>8. Poor site navigation</td>
</tr>
<tr>
<td>9. Crashing of shopping cart</td>
</tr>
<tr>
<td>10. Not all payment methods are accepted</td>
</tr>
<tr>
<td>11. Complicated self-service processes</td>
</tr>
<tr>
<td>12. Delayed purchase confirmation</td>
</tr>
<tr>
<td>13. Delayed delivery</td>
</tr>
<tr>
<td>14. No response to post purchase queries</td>
</tr>
<tr>
<td>15. No facility to evaluate a tangible product</td>
</tr>
<tr>
<td>16. Difficult to establish offline contact</td>
</tr>
<tr>
<td>17. Peer pressure</td>
</tr>
</tbody>
</table>

Figure 2-10 the possible incidents (own created)

The figured above listed several possible incidents that might exist in nowadays online shopping. According to Miyazaki & Fernandez (2000), online frauds could become a threat that makes e-customers worry when they go shopping online. Those unethical sellers or cheaters could use several ways to steal credit/debit card details or personal information of customers. They might spread viruses or malware from website, or they might disguise to be a famous company to cheat. Moreover, Based on recent research (Collier & Bienstock, 2006), some online sellers might have poor website designs and navigation that create negative effects to customers when they want to search their products on the website, if the website doesn’t work stably, sometimes the shopping cart might crash. And there could always be late delivery for several reasons, and bad customers after selling. Additionally, it has been argued (Hernández-Ortega, Jiménez-Martínez, & Martín-DeHoyos, 2008) that different e-customers could have different problems when they are searching information about products online, someone might not be able to tell which is information is useful and which is not because of lack of online experiences. Someone might not know how evaluate the products online accurately, and someone might not know how to contact the seller for asking post purchase service. Also, there might be some pressures from one online shopper’s friends or family to make them go shopping online or not.

Thus, these 17 possible incidents are listed as hypothesis based on several existing researches. Whether those problems really exist or not is tested and analysed by running a survey. The results is demonstrated and discussed in the chapter 4 and 5.
3 METHODOLOGY

This chapter illustrates what kinds of approach and research methods are used to analysis the empirical findings and structures this thesis. The purpose of this part is also to ensure of validity and reliability of this thesis.

3.1 Research Method

Research method demonstrated in which way this thesis was conducted and how collected data was used to analysis in order to answer the research question.

3.1.1 Research Strategies

According to Bryman & Bell (2011, p. 26), in normal business research, there exist two major research strategies: quantitative and qualitative. Quantitative research is defined as a way that requires to collect numerical data and in order to explain the relationship between theory and research as a deductive way. While qualitative research focuses more on words than numbers, it illustrates the relationship between theory and research in a predilection of inductive way.

However, although the distinction between qualitative and quantitative is obvious, it is not hard-and-fast. Bryman & bell (2011) have argued that it is more convincing and quite common to have both of the two research strategies within one research project.

But in this thesis, the goal was to find out what are those difficulties that Swedish customers are facing in buying process of e-commerce. Thus a questionnaire survey was used to collect data from customers, the results were used to figure out those difficulties, meanwhile an in-depth analysis of the results were conducted by using relevant e-commerce theories mentioned in “Theoretical framework” chapter. It was crystal-clear to see that the research strategy in this thesis was quantitative method strategy.

The purpose of this thesis was to look through those difficulties from customers’ perspective, it was not considered to collect any data by interviewing for companies. Thus, qualitative research method was not implied in this thesis.

3.1.2 Research Approach

According to Bryman & Bell (2011, p. 11), there are two common research approaches: deductive and inductive. There exist distinctive differences between each other.

The deductive approach is on the premise that one or more than one clear theory has already been known relating to a specific domain, thus a hypothesis is assumed and tested if the
A hypothesis is confirmed or rejected by the theory with the analysis of the data that has been collected. However, the inductive approach is totally a reversed version of deductive approach. Inductive approach is trying to figure out generalizable inferences based on in-depth analysis of findings and observations that already exist.

In this thesis, deductive approach was implemented to explain the collected data by using a theoretical framework. The process of deductive approach was illustrated as the figure below:

![Figure 3-1 the process of deduction](image)

Based on figure 3-1 (Bryman & Bell, 2011, p. 11), in the very beginning, A set of clear theories have been prepared to analysis the difficulties and challenges that exist in nowadays online buying process. Those theories contained the knowledge of E-commerce and online buying process. All of them were described clearly in the chapter of “Theoretical framework”.

Then, in the hypothesis step, a set of hypothesis were assumed and put in the questionnaire survey as some options for respondents to choose. For example, those bad experiences might be getting cheated by seller, it might be long waiting time for delivery, and it also might be products don’t match its online description.

Next, in the data collection step, a questionnaire survey was used to collect the thoughts and opinions from customers; those data were used to analysis and find out what are those problems and difficulties and why it exists.

Additionally the study was trying to find out those issues and difficulties of online shopping from customers’ perspective, while differ from several existing researches and articles about e-commerce (Gustavsson & Johansson, 2006) (Rachel & Caterina, 2012), rather than study the consumers’ behaviour or trust in e-commerce, this thesis was trying to look at those
problems and difficulties from customer’s perspective. In another word, the study object of this thesis was e-commerce, but not customers.

In the findings part, results were collected and analyses were conducted to point out what are the most common and serious problems and difficulties and how and why those difficulties exist.

In the end, those hypotheses were mostly confirmed by those theories. There indeed exist several difficulties in nowadays e-commerce. Some of them are pointed as the most common and serious ones in Swedish online shopping.

Moreover, the study target in this thesis was the buying process of online shopping. Those activities happened through each stage of this process were especially focused on. Thus, the products segmentation and customers’ segmentation were not considered here. They were less relevant and helpful to analysis those activities. For example, for the delay of shipping, No matter the buyer is student or teacher, 20 years or 40 years, and no matter the product is camera or laptop, the problem of delayed shipping shall always emerge.

3.2 Data Collection

Data collection is based on the purpose of getting better understanding of difficulties in online buying process from customers’ perspective. Two different kinds of data were both used in this thesis: primary data and secondary data.

3.2.1 Primary Data: Questionnaire Survey

Generally, primary data is the data that collected from some sources by the people who do the research (Fisher, 2010). In this thesis, primary data is the information collected from customers through questionnaire survey. According to Fisher (2010, p. 176), there are two kinds of questionnaires: open questionnaire and pre-structured questionnaire. Open questionnaire is to ask the questions to respondents in a more open way, it leaves a lot of space for respondents to fill in for each question, and also it is not exactly known what kind of answer will be collected before doing the survey. Pre-structured questionnaire is more formed of questions. Most of the answers are listed below the questions and requires respondents to fill in. In this thesis, the latter one is implied because it is exactly known that what kind of question is relevant to the theories and what kind of answer might be answered.

Thus, a self-completion questionnaire including 32 questions was made. According to Bryman & Bell (2011, pp. 230-233), there are several advantages when using self-completion questionnaire. First, it is cheaper to administer. The questionnaire was made by Google drive and run through Internet, and it was majorly published in Facebook because it is famous. Thus the cost was actually much lower compared with other methods. Second, it is quicker to administer. It was quite easy and quick to get results from respondents compared with interviews. Third, it is Absence of interviewer effects. According to Bryman & Bell (2011, p. 232), when doing interviews, the characteristics of interviewers such as ethnicity, gender and social backgrounds will possibly mixed within the answers they get and finally leads to some
results with bias. In the self-completion questionnaire, interviewers cannot affect the interviewees in the way mentioned above. Finally, it is also convenience for respondents. The respondents could decide what time and how to finish the questionnaire, they did not have to rush themselves and speak out something they did not want to. Somehow it made the results easier to collect in another way.

### 3.2.2 Secondary Data
According to the definition of secondary data (MBA SKOOL), normally secondary data is the data that already existed and written by someone else. It could be articles, literatures, Blogs and some other relevant information on the Internet.

In this thesis, several secondary data was used. Because it was essentially helpful to get a reliable understanding of the status of nowadays’ e-commerce and built up a scientific theoretical framework. First, some information was collected from the Internet to figure out the current situation of e-commerce. Such as the website of e-commerce Europe and some other websites founded through Google search engine were used. It provides several relevant statistics about today’s e-commerce in Europe. Second, some individual blogs were visited; it was on the purpose of collecting some customers’ thoughts about online shopping experience from an individual perspective. Third, some scientific articles were found through Google scholar and Emerald to have a better understanding of e-commerce from a researcher’s perspective. Fourth, some thesis were downloaded and read from DIVA, it was to provide a more empirical structure and form of writing a business thesis.

Finally, all of the secondary data used in this thesis have been made citations in the standard APA way.

### 3.2.3 Choice of literature
Several literature books were used to construct the theoretical framework part in this thesis. They were selected from the literature books of major business courses of Mälardalen University. The reliable and relevant theories about marketing and e-commerce were provided in those books. Thus, those books were chosen as the major source of theories.

Meanwhile, two books about business research methods that are written by Bryman & Bell and Colin Fisher were used. The purpose was to learn how to create, design and conduct research based on scientific principles and concepts.

### 3.3 Survey design and Data Analysis
In order to ensure that each question in this questionnaire survey had scientific connection to relevant theories, the questionnaire was designed in a more structured way. Additionally all the questions were closely related to the relevant theories mentioned in the “theoretical framework” chapter.

The form below illustrates the purpose and relevant theories of each question in the questionnaire survey:
<table>
<thead>
<tr>
<th>Concept</th>
<th>Theory</th>
<th>Question Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-consumers</td>
<td>Basic information about e-consumers (Make sure the randomness and diversity of respondents)</td>
<td>Q1-Q6</td>
</tr>
<tr>
<td>Online buying process</td>
<td>The stage of “Problem Recognition”</td>
<td>Q7-Q10</td>
</tr>
<tr>
<td>Online buying process</td>
<td>The stage of “information search”</td>
<td>Q11-Q12</td>
</tr>
<tr>
<td>Online buying process</td>
<td>The stage of “Evaluation”</td>
<td>Q13-Q15</td>
</tr>
<tr>
<td>The nature of E-commerce</td>
<td>Online subscription</td>
<td>Q17-Q20</td>
</tr>
<tr>
<td>The nature of E-commerce</td>
<td>The stage of “purchase”, Online transaction</td>
<td>Q20-Q22</td>
</tr>
<tr>
<td>Online buying process</td>
<td>The stage of “Decision”.</td>
<td>Q16, Q23, Q24</td>
</tr>
<tr>
<td>Online buying process, problems in online shopping</td>
<td>The stage of “Decision” “Action” “after purchase”. And relevant problems.</td>
<td>Q25-Q30</td>
</tr>
<tr>
<td>Customer perception and expectation</td>
<td>E- Marketing.</td>
<td>Q30-Q32</td>
</tr>
</tbody>
</table>

**TABLE 3-1 THE DESIGN OF THE SURVEY**

The design of those questions was majorly based on the theory of e-customers buying process. Because online buying process it covers most of the relevant incidents that could happen from the beginning till the end of the online shopping behaviour. It is believed that this way of designing questions could be helpful to explore what are those problems exist in each stage of online buying process. There are six stage of online buying process: “problem recognition”, “information search”, “evaluation”, “decision”, “purchase” and “after purchase”. For each stage, there are 3-5 questions prepared to dig out what are the problems exist in. Moreover, 4 questions are prepared for finding problems about online subscriptions because Swedish customers have a large amount of purchase of both online and offline subscriptions (Postnord,
2013). In the end, 2 questions are prepared for knowing customers’ perception and expectation about e-commerce. This might collect some inspirations for both businessmen and researchers to think about.

Q1 to Q6 was to gather some basic information from online customers to ensure the diversity. Q7 to Q15 was to find out those difficulties in first three stage of online buying process. Q17 to Q22 were questions for finding difficulties in online subscription and online transaction. Q20 was a question both relevant to “Online transaction” and “Online subscription”. Q16, Q23, Q24 were questions for finding difficulties in stage of “Decision” of online buying process. Q25-Q30 were questions for gather information about difficulties in last three stages of online buying process. Q31-Q32 were questions for finding customer’s perception and expectations.

Q8 was an exclusion question. If a respondent answers “never”, his/her results are not qualified in this survey.

Q12, Q13, Q15, Q28, Q29, Q30 were added 5 days after the original survey ran. But for those questions still got over 200 respondents thus the results were still reliable.

The target respondents of this survey are those Swedish customers who had online shopping experiences. In recent report (Postnord, 2013), the population size is about 1.5 million. The survey was run from 4th December until 16th December. By the time of 16th December, 318 results were collected. 15 of respondents were not qualified, because they had no online shopping experience. After examined the results one by one, 8 of the results were defined as invalid data. Thus, valid sample size of the survey is 295. The sampling technique applied in this thesis was simple random sampling. According to Bryman &bell (2011), each e-shopper’s practical experience has the same probability to be collected in the results of this survey. The questionnaire survey was made and stored in Google drive. The web link of the questionnaire survey was published and spread majorly through Facebook. The reason why choose Facebook was that Facebook is the biggest online community that most of European people use it every day. It was efficient and easier to collect the results and also thus the results became more reliable. The respondents were random; they might differ from gender, age, occupation and earning. But they were surely both e-shoppers. In order to get more results in a timing efficient way, first several of students in Mälardalen University were asked to answer the survey and share the link on their homepages, and then they asked their friends to do the same routine. According to the David L. (2008, pp. 816-817), the way mentioned above could be defined as “snowball sampling”. It is easier to collect the results from the respondents, which surveyors do not know. At the same time the diversity was ensured again.

The way of analysing the results was an interpretive way. After the results were collected, diagrams and figures were drawn to demonstrate the results better. According to Colin fisher (2010), the interpretive grid that applied in this thesis is realism. It is believed that the results of customers’ thoughts are the reality that is independent on how people perceive it. There is something needs to be figured out behind the appearances of those results. It was discussed and analysed in the chapter of “findings& analysis”.

31
3.4 Validity and Reliability

According to Bryman & Bell (2011, p. 160), Validity is about if the data collected is really measuring the concept or goal that the data was supposed to measure.

In this thesis, it is essential to look through different types of validity, because different types of validity could effects the survey in different perspectives. According to Bryman & Bell (2011), face validity, concurrent validity, construct validity and convergent validity were discussed to prove one measure’s validity. First, the face validity is that the questionnaire survey should manifestly have close connection to E-commerce topic and conception, especially when people first read this questionnaire survey they should have this kind of feeling. Definitely, the face validity was ensured in this thesis. All of the questions were designed to collect customers’ online shopping experience and thoughts in a scientific way. None of those questions was not about the e-commerce knowledge. When this questionnaire survey was showed to someone, they could obviously know that what this questionnaire was focusing on. Second, concurrent validity is usually assessed by some criterions. In this thesis, some criterions (such as being cheated, products don’t match description) were listed to see if this will really have negative effects on the customers’ online shopping experience. Third, construct validity is about whether these questions are closely relevant to some existing theories. The answer was yes. The design of the questionnaire was explained thoroughly in previous part of the thesis. Each question was closely related to the theories. Finally, convergent validity is about comparing the questionnaire survey with other methods of collecting data from customers. Actually several observations were done simultaneously as the questionnaire survey ran. Many blogs that share online shopping experiences from Internet were observed, and several chats with some people who had bad online shopping experience in real life were done.

Thus, all of the validities mentioned above were firmly ensured.

According to Bryman & Bell (2011, pp. 157-158), Reliability is majorly about whether the results could be repeatable or not. In another word, it is to ensure that if the way of collecting data could be consistently relevant to the situations and conceptions in business situations. In any specific case, three factors should be considered to see if a measure is reliable or not (Bryman & Bell, 2011, p. 158). They are: Stability, Internal reliability and Inter-observer consistency. First, for the consideration of stability, it was quite ensured that the results of questionnaire survey would be scientific and representative for a long time in the future. Because the design of the questionnaire survey closely matched nowadays e-commerce situation. Second, for internal reliability, each of questions had logically connected to one another, so the respondents’ answer on any one question would be compactly related to the previous one and the latter one. Third, for inter-observer consistency, two writers of this thesis had made clearly and consistently agreement before writing and analysing this thesis. The agreement would last till the completion of the thesis.

Thus, both of the three factors of reliability were also tightly ensured.

3.5 Research Ethics

It has been argued (Diener & Carndall, 1978) that four main domains were mentioned in business research ethics: “if it’s harmful to participants, if there is enough informed consent,
privacy and deception”. In this thesis, all respondents answered the questionnaire voluntarily. So there was definitely no harm to respondents and the respondents were consent. Additionally, the respondents’ names were not collected in this survey and any other information that could show the identities were not collected either. Last, the research was represented exactly what it is. The title and purpose matched the content of the thesis in a scientific way. So the deception was never happened in this thesis.
4 FINDINGS

The result of survey is presented and explained in this chapter. This chapter is divided into three parts. The first part demonstrates the details of the respondents who gave their responses about their online buying experience. The second part presents the customers’ perception about e-commerce. The third part presents and explains the problems through each stage of online buying process. The data collected is connected to the main research question “What are the most common and serious existing problems and difficulties in the online buying process from Swedish customers’ perspective?”

4.1 The sample of respondents and e-customers:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>59%</td>
</tr>
<tr>
<td>Female</td>
<td>41%</td>
</tr>
</tbody>
</table>

Figure 4-1 Gender distribution of respondents

After examining the collected data it was found that the respondents were skewed towards male gender. However it could be seen that e-customers include high participation from both male and female gender.
The age group of the respondents varied from under 18 years to above 50. And the majority of the respondents belonged to 25-35 years and closely followed by 18-25 years. This characteristic has played a main role in the collected data on the problems and challenges mentioned by the respondents.

The education level of a respondent is also a good indicator of the skills possessed by the respondents. The respondents majorly have bachelor education. Beside bachelor respondents,
Master and middle school stands for about 30 percent of the respondents. And education level could affect the profession and income level of a person therefore the results of this data has influenced the next data presentations.

![Occupation](image)

**Figure 4-4 Occupation of the respondents**
The majority of the respondents were divided in two three main groups, students, professionals and homemakers. But it also could be seen that other respondents are quite active in e-commerce and therefore the e-customers definitely include people from varied sections of the society. These people differ in the skills possessed as well as the income level.
The distribution of income bracket showed that most of the respondents earn 12,000-20,000 SEK per month in total. And as it has shown previously that most of the respondents are within the age of 25-35 years and have bachelor level education or up to middle school. It matches the fact that mentioned in the annual report of Postnord 2013.

Figure 4-6 Personal consumption level of respondents
The personal consumption level of the respondents shows that the majority has the consumption from 5,000-10,000 SEK, and other significant brackets are below 5,000SEK and 10,000-20,000 SEK.

4.2E-customers’ perception of online shopping

The figure above gave an understanding of how the e-customers perceive online shopping. In this section, the data collected could be used to show that customers usually buy high involvement purchases online. In the collected data it was shown that the most common choice of product is digital products and clothing. Therefore the respondents have experience of high involvement purchases.
As it was demonstrated above, top three most important factors that motivate respondents to shop online are easier to find products, cheaper price and convenient shipping. Even though they are not lack of buying power, but a better price could always be a strong reason to attract them.

Additionally, question number 7 of this survey is not illustrated here, but from most the answers of respondents, it could be seen that nowadays go shopping online has been taken into consideration when most of people thinking about buying something.
The respondents answered what they consider to discourage them from buying online. This is shown in the diagram above. Among the answers the most common fear is the lack of security/possibility of fraud. This result shows that the security risks have been the most serious problems that customers worry when they think about shopping online.

Another major factor that discourages an e-customer is complicated buying process. If the buying process is complicated then it becomes the opposite of convenience then a person avoids buying a product online. Some of the respondents declared that they prefer to try a product before making a decision, which is not possible online. Sometimes customers choose to browse for product information online and then check the product offline and then they make a decision to purchase the product. This is referred to as mixed mode purchases.
The respondents also chose the non-familiarity with online shopping concept as a reason for not participating in e-commerce. They also listed the fact that they are influenced by their friends’ lifestyle. They cannot accurately evaluate a product online and that causes disappointment for them. Breach of personal information safety is another commonly selected answer. Several numbers of respondents also preferred the convenience of a physical store.

![Bad online shopping experience](image)

**Figure 4-10 Frequency of negative online shopping experience**

It could be seen that more than half of respondents had bad online shopping experience before, thus the bad online shopping could be defined as a common problems that could not be ignored in nowadays e-commerce. This also ensures that this study of this thesis is worthy and necessary.
It could be seen that all of those options listed in this question have been actively selected. It means that the hypothesis of possible problems in e-commerce is somehow confirmed. Cheating issues, Delivery issues, Customers services and communication issues have been proved to be the most serious and common problems exist in nowadays-Swedish e-commerce the coming questions would have several discussion about details of those issues and how it happens. (Due to the system bug of Google Doc, actually there was not 53 respondents chose “others” in this question, the correct number of respondents that chose “others” is 7).
The future of online shopping

- It will be great and be accepted by more people
- It will not be optimistic, because of many existing problems need to be solved
- It would not have innovative development in short term
- I do not care
- Other

![Pie chart showing expectations of respondents in e-commerce in future]

Figure 4-12 Expectation of respondents in e-commerce in future
The respondents have enthusiastic expectation about future of online shopping. While some of them mentioned that it may be affected by negative factors that exist in online shopping.

How many of your friends like to shop online?

- Many: 69%
- Some: 29%
- Few: 2%
- None: 0%

![Pie chart showing participation of respondents’ friends in e-commerce]

Figure 4-13 Participation of respondents’ friends in nowadays e-commerce
Majority of the respondents answered that many of their friends also bought online; as a result we could see that peer pressure and social networking culture could have both positive and negative effects about making people to go shopping online or not, this point would be discussed in the next chapter.
4.3 Problems existing in each stage of Online buying process

Respondents were asked to answer questions that are based on the stages of online buying process of e-customers. These questions were aimed to get some details of those problems from the respondents.

**Information Search**

![Bar chart showing common ways when respondents search information online](chart.png)

**Figure 4-14 common ways when respondents search information online**

It could be seen from the figure above, once an e-customer has identified the need, and then the person most commonly went on internet and used search engines to find more about the product. And second most common source of information is the forums and portals. The respondents had also listed online promotions both homepage and on-site as a source of information. They have also found E-mail promotions as a source of information. The respondents have also listed that they follow the promotions that are created to lead more visitors to a seller's site.
It could be seen that the top one serious problem when respondents search information online is that those information through search engine are partly unreliable. It is true that there could be a difficulty for e-customers to tell those large amounts of information through search engine, some e-customers could not tell which information is helpful and which is not, which information contains virus and which does not because they are lack of IT experiences and skills. Second serious problem that several e-customers may face is that those promotion e-mails could not offer enough information but quite annoying.
EVALUATION OF PRODUCT

The next stage in the buying process after problem recognition and information search is evaluation the product by using various sources. The most common source listed is the product guides, followed by comparing different sellers’ price, consumer rating of the product and other factors such as delivery terms and conditions.

Figure 4-16 Most common methods of evaluation chosen by respondents
Due to the nature of e-commerce, it is a way of trading that happens online, so it is not able to see or try the products before buying. So there is always a common problem with evaluating when go shopping online. Especially when buying those fitting products. It is never possible to get an accurate evaluation when buying fitting products online. Among the other reasons were online price changing, misleading consumer rating. And a number of respondents answered that they did not have any problem evaluating a product online.

**Figure 4-17 Most common problems in evaluation faced by respondents**

Due to the nature of e-commerce, it is a way of trading that happens online, so it is not able to see or try the products before buying. So there is always a common problem with evaluating when go shopping online. Especially when buying those fitting products. It is never possible to get an accurate evaluation when buying fitting products online. Among the other reasons were online price changing, misleading consumer rating. And a number of respondents answered that they did not have any problem evaluating a product online.
What influences a customer to choose online seller?

From the figure illustrated above, it could be seen that most of respondents choose trustworthiness as the top one criterion when they are measuring an online seller. The respondents mentioned that good customer service is also another criterion they looked for. And that seller included several paying method for convenience.

**PURCHASE (BUY)**
The purchase process is done on seller’s website. And this process is aided by other functions in e-commerce to mention a few of them are Banks, financial institutions and payment service companies like PayPal.
According to the respondents the most preferred payment methods was Internet bank. There are also few of respondents choose to pay with PayPal or Visa/MasterCard as well.

The majority of the respondents answered that they have had subscriptions and the result matches the fact that many people in Sweden are subscribers to various online products or service companies (E-commerce Europe, 2013).
Figure 4-21 Average number of subscriptions ran by the respondents per year

From the figure above it could be seen that the average number of subscriptions is from 1 to 5 and some respondents mentioned that they ran more than 5 subscriptions per year.

Figure 4-22 Problems faced by respondents while managing their online subscription

It could be seen that most of the respondents had no problems with managing their online subscriptions. But there was a group of respondents declared that they found it hard to remember the deadlines of those subscriptions. It might because they had so many subscriptions and they were so busy with their daily life so they might easily forget the deadline of their subscriptions.
Common problems of paying online (one time purchase & Subscriptions)

- No problem: 113
- Credit card detail stolen: 19
- Payment is not update on my account: 18
- Sellers required a different payment method that I did not have: 67
- Other: 4

From the figure above, it could be seen that most of the respondents did not have any problem with online paying. A section of the respondents mentioned that sellers sometimes required them to pay with some methods that they did not have. And only a small group of respondents declared that they sometimes their credit card details were stolen and sometimes payment is not updated to their accounts. While from the results is could be seen that this only happens among a small groups of e-customers, it might because of virus and it might because of careless of the e-customer itself. It is a phenomenon that worth paying attention but exactly this is not a common problem for the most of e-customers.
Over half of the respondents believed that a fast transaction speed is the way that they cared about most. Second important factor is easier to use. Normally the internet bank system in Sweden is quite safe, so then the Swedish customers chose fast and easier as the major considerations when paying.

**Online cheaters**

- Famous company: 23%
- Small company: 34%
- Someone disguised to be famous company: 17%
- Other: 26%

*Figure 4-25 the types of online cheaters*
From the figure above it could be seen that those cheating issues happened through many different types of companies. Each of the four options stands for about one fourth of the whole results; most of the respondents selected someone disguised to be famous companies. This is the most common situation happened in reality, but how about the other three options, why do they cheat? It would be discussed in the coming chapter.

Post Purchase

Once the purchase is completed through an online sellers’ website, the e-customer is connected to the sellers’ database and the ordered products are dispatched to be delivered to the customers’ address.

![Bad customer service](image)

**Figure 4-26 the types of bad customer services**

From the figure above, it could be seen that two major options that most respondents chose were quite similar in this questions. It majorly about they couldn’t find anywhere to get the indeed service when they need it. It is also about the communication gap between e-customers and e-retailors so that the service could not be well transferred.
The most of the respondents mentioned that the sellers did not give any clear explanation of a delay, this seems unbelievable but it is indeed something happens within nowadays e-customers. The reason why this happens would be discussed in the coming chapter. There are also one third of respondents answered there exist delayed patch and delayed express.

**Figure 4-27 reasons for delayed delivery**

**Figure 4-28 Average delayed delivery waiting time**
From the figure above, it is proved that among those respondents who had experienced delayed delivery, 86 percent of them waited 1-7 days longer than promised to get their products.
5 ANALYSIS

In this chapter those problems existing in each stage of buying process are analysed with details. The purpose is to find out why those problems exist and is there any possible solution to solve those problems.

5.1 Problem recognition and Information search stage.

From the result that figure 7 in Appendix 1, it could be seen that nowadays when those customers have a recognition of the need for buying something, they have already put online shopping into their consideration. It also proved that the argument (Chaudhury & Kuilboer, 2002) is correct, the internet and online shopping has been more and more accepted by nowadays customers, the way of shopping online and search information online has become a sub consciousness. They might not need a suggestion from friends or family, they could make a judgement and choice by themselves when they choose their way of shopping.

From the figure 4-8, it is also ensured that the reason why people chose to go shopping online, it is majorly because of its unique characteristic: convenience and always a better price. Convenience is decided by the unique advantage of information technology, customers could sit right in front their computers at home, and easily find out whatever they are looking for without traveling outside checking local stores one by one (Kalakota & Robinson, 2003). Based on existing argument (Montaldo, 2013),the online price is always cheaper because the cost of running an online business is much lower compared with running a brick and mortar store.

The stage of “problem recognition” seems have no problem at all, because Swedish customers have a high level of education and enough buying power, they could clearly realise that the way of online shopping is worthy for them and they know why they choose shopping online. But there is still something worth notice. Based on the argument (Hernández-Ortega, Jiménez-Martínez, & Martín-DeHoyos, 2008), an e-customer could easily get influenced by their friends or family’s suggestion or force. This situation happens in real life that if an e-customers friends or family bad online shopping experience about some specific products because of personal reason(such as lack of online shopping experience), they might suggest or even force the e-customer not to make the choice. This might negatively influence e-customers recognition. Based on the figure 24 in Appendix 1, it is not a common problems but it still exists.

After an e-customer realise his/her needs for a products, then the following stage “Information search”. Based on the results of the survey, most of respondents chose to search information through search engine for instance Google, the first major problem they had is that the huge amount of information through search engine is partly reliable and somehow they had problems with telling the information.

First, based on different personal IT skill and experience, different e-customers may have different situation for this problem (Hernández-Ortega, Jiménez-Martínez, & Martín-DeHoyos, 2008), for those experienced e-customers with high IT skill they might totally have no problems with searching the products they want, it is easy for them to make a judge about
those information. But on the contrary, for those beginners of internet, they might have no idea about where to start. Thus this problem varies from different e-customers.

Second, a search engine itself is to provide people information from worldwide webs as much as it could (Webopedia). Here seems exist a paradox, e-customers want to find useful information as much as possible by using search engine, but actually the more information a search engine provides, the higher possibility it contains several useless information or even virus. The purpose of e-commerce is to provide convenience to customers, but this is not convenient at all. In order to solve this problem, either there is someone could provide an integrated information platform with useful and trustable information, as it has already been discussed (Fensel, et al., 2011), the logic of integration works in B2B area. So following the same logic it also might offer a better performance in B2C area. Or those e-customers could really improve their own IT skill so they could tell the information, but it seems not work because no matter how e-commerce develops, there always will be some beginners for online shopping. Moreover, according to Chaffey & Smith (2013), the nowadays e-retailer should have add more function on their own webpage that could make e-customers search a product by their own choice or configuration. This is something that every e-retailer is able to do and should do, while the fact is not all of them did this.

The second major problems when searching information online is those useless and annoying promotion e-mails. Based on the argument (Kolesar & Galbraith, 2000), promotion e-mail is a way of doing online marketing by spreading useful information that could attract customers by recognizing customers need accurately. But actual what it looks like in the real life? Many useless ADs e-mails full of useless information disturbs e-customers life every day, it could be clearly seen from the survey results and also people complaining everywhere on the internet (Cva, 2013). This is on the contradiction of e-commerce itself, because there is not providing convenience to the e-customers at all. Somehow this could cause some negative effects for the e-customers; an e-customer may not want to buy the products from a specific brand ever again because he/she received so many annoying e-mails from that brand (Kolesar & Galbraith, 2000). From the analysis above it could be seen that nowadays online sellers must work very hard to get a clearly understanding about the need of e-customers, otherwise they might lose customers by sending useless promotion e-mails.

5.2 Evaluation Stage

From figure 4-17, it could be seen that the first of the most common problems that respondents have is that it is hard to get a clear and accurate evaluation by using those information provided online. As it is introduced in the theoretical framework chapter, e-commerce provided a lot of advantages compared with face to face trade. But its unique characteristic could also bring some disadvantages. In the online shopping, a buying process happens mostly through internet and without getting touch the products until several days after the paying is done (Chaffey & Smith, 2013). And when buying some high involvement purchase, sometimes trying before purchase is the most common way to get a better perception of the products (G.Patterson, 1993). Here the problem situation happens, for e-customers the only way of trying is to go to local store, but what if the local store is far away from customer’s place and what if there is not such product at local store?
As it was introduced in the theoretical framework chapter, mix mode buying is quite common in nowadays. When e-customers want to get a clear perception about the products they want, they usually both search information online and go to a local store to try it on offline. Then after they made a decision, they purchase it online because they usually get a better price. This seems to be an effective way to solving this problem. But here another paradox emerges, e-commerce is to be convenient, but this kind of buying evaluation method is not convenient at all. The e-customer shall spend large amount of time on the mix mode buying. And moreover, there are a lot of respondents declared that the online description of products sometimes do not match the real products.

In order to improve this problems situation, the e-retailors are suggested to conduct a better performance on guiding e-customers. Based on the argument (Kolesar & Galbraith, 2000), the quality of a website design and a production guide has a direct relationship with customers satisfaction and purchasing decision. Associated with the results of survey and the argument, it is true that nowadays some e-retailors did not offer enough guide for the e-customers about their products, thus it created inconvenience to e-customers indirectly.

Moreover, According to Cordell (1998), consumers’ knowledge has great implication when they are evaluating a product. A customer with lower knowledge is willing to pay more for a same product compared with a customer with higher knowledge, especially when purchasing products of famous brands. The knowledge means the understanding for the products. From a customer’s perspective, customer should take some time on knowing the products they want in their daily life little by little but not just a few minutes before buying. When the time comes to evaluate, they could draw a clear conclusion about the products so they are able to make the correct buying decision. Otherwise it is never able to get a correct evaluation for those products. Also they might get even taken advantage of by those online sellers.

Additionally, even though it is not a common sense from the results of the survey, but there are still a group of people answered that they do not trust online consumer rating comments. In fact, the phenomenon that companies pay money to employ someone to write fake consumer reviews happened all over the world (PHYS ORG, 2013). It is hard to tell if those reviews are true or not even for some experienced e-customers. Once it happens, it breaks consumers trust easily and it could even cause more negative effects than imagine (Grabner-Kraeuter, 2002). The phenomenon of fake consumer reviews could happen both in online shopping and offline shopping. Those unethical sellers who did this always put earning money as their first priority, it seems to be a tough question for both government and communities to deal with, but as now, the situation is that most of customers realised this but no one has any idea about solving this problem.

5.3 Decision and Purchase stage.

First of all, based on figure 4-9, 4-10 and 4-11, when customers are making a decision, the trust and security problems have been ensured as the top one serious problem among all of those respondents. Based on recent research (Rebecca, Therese, & Johanna, 2013), Nowadays trust in e-commerce plays a significant role. A high degree of trust could bring larger purchase intentions, while a low degree of could make smaller purchase intentions. The major problems that threaten customers’ trust are online frauds and loss of privacy.
According to Singh (2007), the major way of nowadays online frauds is phishing. The definition of Phishing has already been introduced in the first chapter. However, why this problem exists, the reason could be discuss from different perspectives.

Based on the research (Hernández-Ortega, Jiménez-Martínez, & Martin-DeHoyos, 2008), whether an e-customers get cheated or not, it mostly depends on the individual IT skill and experiences. A customer with high IT skill and large amount of online shopping experience could barely be cheated online. They could easily tell those frauds and they could easily select which seller is trustable. On the contrary, for those people lack of online shopping experiences and IT skills, they might easily fall into the trap, because usually those online frauds pretend to offer some products with incredible cheap price. Here it is suggested that e-customer should take time to prepare relevant knowledge about those online frauds, even though online shopping should be convenient, but it does not equal to that everyone could shop online safely without any preparation.

From an e-retailer’s perspective, unlike selling in from a brick and mortar store, selling online is in such an intangible and fictitious environment. This offers a chance for those online miscreants to cheat money from those innocent e-customers. It is argued (yamazaki, 2013) that it is extremely hard to get the money back after he/she got defrauded online, because it is very difficult for policemen to track and collect evidence, and it is quite common that the profile those frauds left online was fake.

The online fraud is the common phenomenon exists all over the world. But in China, there is an effective way to deal with the online frauds. The most famous B2C and C2C e-commerce platform is named Taobao (Alibaba). This platform has all confirmed and integrated data of all companies and sellers and customers. This platform has direct cooperation with Chinese consumer’s association and national police station. All of the transaction and trade details are recorded in the system. Once frauds happen, customers can easily get their money back and protect their rights. Yet it is not known that if the same system would work or not in Sweden or Europe, but the basic logic of the system ensures that the integration of all data could be a way to create better e-commerce performance against frauds (Fensel, et al., 2011).

Second, Based on the research (Gao, Hu, Huang, Wang, & Chen, 2011), Malware has been proved as the major way of stealing private information of not only e-customers but also all internet users. As it has been introduced about how malware works in the first chapter, those sensitive private data that collected by malware secretly could be easily transferred to hackers; they could use it to do some unethical and illegal activities. It was argued (Hernández-Ortega, Jiménez-Martinez, & Martin-DeHoyos, 2008) that whether an e-customers profile got stolen by malware or not, it was still depends on individual IT skill and Internet experiences. This is quite similar as previous problem. It could be drawn a simple conclusion that the online shopping safety level has direct relevant to individual’s IT skill and experiences, the better the IT skills he/she has, the safer the he/she is.

Moreover, those hypothesis of problems in paying and managing online subscriptions are majorly rejected. It could be seen that most of the Swedish respondents have no problems with it at all. Only few of them has trouble with remembering payment deadline and do not have the payment methods that sellers required.
5.4 After purchase stage.

Based on the results of survey, the major problem is about customers feel difficult to get post purchase service including communicating issues. Another problem is the delay of the shipping.

According to Chaffey & Smith (2013), e-retailers should provide service guarantee for customers and locate the nearest physical store; they should be able to reach in both e-mail and mobile calling after selling a product to customers. But associated with survey results and existing research (Crum, 2009), those poor customer service performances have been a common problem, and it was holding back e-commerce sales. According to Parasuraman (1985, pp. 41-50), the post purchase service gap belongs to gap 4: Actual service delivery and external communication about service. But theory model was conducted 28 years ago; in fact there is no post purchase delivery at all in several nowadays e-commerce cases.

Based on the research (Yao, 2013), after customers purchased their products and they need help from e-retailers, the most common phenomenon that made customers difficult to get service is shifting responsibility. When the products do not work well and customers need help, the manufactures, e-retailers, distributors, express companies they usually declared that it is not their own fault, it must be some other actors did not take care of the products so that the products go wrong. Indeed, e-commerce is different as face-to-face trade, before customer gets the product; the product has passed by many actors. It is never easy to decide who should take the responsibility. This most commonly happens between e-retailer, express companies and service providers. Somehow as more and more e-customers complain the bad post purchase service online, it should be warn to those e-retailers, because the service performance has direct relation to the sales.

Numbers of respondents declared in the survey that they found it hard to reach the online sellers both before and after purchasing. According to Chaffey & Smith (2013), as a part of e-marketing strategy the e-retailers should be able to have an easy contact with customers. While the fact is on the contrary, somehow it is so hard to contact e-retailers. It is fact that nowadays there are still a lot of companies who had online business could be only reached by e-mail, even several famous companies. Moreover, some companies had a phone contact, but the fact is, it is busy or no one answers all the time. (Klick, 2012)

Obviously, it is the dereliction of duty of those e-retailers. This is what e-retailers should have done properly. As this phenomenon emerges more and more all over the world, and those e-retailers began to lose their customers because of this, it is time for them to take an action to solve this trouble situation.

From the survey results, it could be seen that the delay of shipping is not a common problem but sometimes it happens. And most of the customer did not even know why their products shipping got delayed. Because of its unique characteristic of online shopping, the transparency of trade online is not as clear as trade face to face. The customers could not know how about the dispatching unless they contact the online sellers. When they try to contact to seller to ask why they usually get some perfunctory answers which were totally helpless. The online sellers might even hide the truth because the e-customers have no other way to know. It is also common that the seller and express company shift responsibility to each other and both declare that the delay of shipping was not their fault.
6 CONCLUSION

This chapter demonstrates the conclusion of the whole study and gives some suggestions for future research.

6.1 Conclusion for the research

After analysing the data collected by the survey, the research question is able to be answered and several conclusions could be drawn.

The most common and serious problems and difficulties in each stage of buying process from Swedish consumers’ perspective have been identified. Moreover, the reason why those problems exist and the way to deal with those problems have been analysed and suggested.

-Problem recognition & Information search stage: Unreliable information through search engine and useless promotion e-mail.

Whether it is difficult to tell online information or not, it is highly depends on the customer’s personal IT skill and online shopping experience. But it is true that not all or most of the e-customers have high IT skill. And there always will be someone new to online shopping. That’s why such problems always exist. Useless promotion e-mail is due to the e-retailors failed to recognize customers’ need correctly and then failed to do the online marketing properly. It is strongly recommended that the e-retailors shall pay more attention about studying customer’s need in order to have a better online marketing performance.

-Evaluation stage: Difficult to perceive the products

It is quite a common way of using mixed mode buying among nowadays e-customers which means “try offline and buy online”. But here still exist several situations that customers have problems with trying products. For example there is not such product at local store. Moreover consumer’s personal knowledge about the specific products also has great implication when they are evaluating. Additionally it is fact that some unethical online sellers employ someone to write fake consumer reviews about the products in order to mislead the e-customers.

-Decision stage & Purchase stage: Cheating issue (online fraud) and loss of privacy

It has been proved in the analysis that nowadays cheating issue (online fraud) has been the major problem that breaks online trust. Those illegal cheating activities were majorly conducted through phishing and malware. The e-customer’s personal IT skill and online shopping experiences could decide if they get easily cheated or privacy stolen or not.

-After-purchase stage: Bad customers’ service and Communication issues, shipping problems.

Bad customer service contains several aspects. First, for some products even they have guarantee it is still so difficult to get post purchase service because there is not local store providing service about such product. Second, online sellers and express companies and suppliers are usually shifting their responsibilities when customers ask for service. Third, due to the transparency of online shopping, when shipping is delayed the online sellers might hide the truth to customers and sometimes it is even difficult to reach those sellers online.
-Possible solution: An online trading platform with integrated data.

As it was mentioned in analysis chapter, the logic of integration has been proved a successful way to solve those problems in e-commerce in different area and market. Yet the integration platform does not exist in B2C e-commerce of Europe. But it could be considered as a solution to improve European e-commerce performance in the future.

6.2 Future research

It would be worthy and interesting to study and research about the same situation in other countries, due to different culture and economic factors, the results could be differ from one countries from another.

Another research could be done by studying the same problems from e-retailors’ perspective, and it would be helpful to study how do e-retailors manage those issues that happened in online selling process and how do they build up trust and interact with consumers online.

Additionally, it is suggested to study the Chinese integrated e-commerce platform: Taobao. It would be interesting to investigate this platform and study if it would work in Europe or not.
REFERENCES

http://www.taobao.com/about/?spm=0.0.0.0.c0TxiA


Businessdictionary: http://www.businessdictionary.com/definition/high-involvement-product.html


APPENDIX 1: RESULT OF QUESTIONAIRE SURVEY

The result of the survey was recorded and published by Google Doc; here is the link to the original website of survey result:

https://docs.google.com/forms/d/14NYAdRy63uGafpkb2p1falGrqWnm6rl7zOEVSWN8Cjk/viewanalytics#start=publishanalytics