

Digital Consumer Behaviour in Cyprus: from Uses and Gratifications Theory to 4C's Online Shopping Approach

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ABSTRACT

The behaviour of the digital consumer differs from that of the digital-internet consumer. Not with the regard to the procedure that the average consumer follows, but mostly to the «why» and «how» a consumer prefers and searches or also buys products and services from the internet. The aim of the present study is to examine the digital consumer behaviour towards the reasons and ways of use from consumers. It is applied in the case of Cyprus and in order to explain these trends it is based on the theory of Uses and Gratifications while concludes in suggesting a new approach of analysis, the 4C's online shopping approach, a tool (marketing mix) that will enhance researching widely on online consumer behavior. For data collection, questionnaires were used within a sample of 250 respondents.

Keywords: *uses and gratifications, consumers, online shopping, e-commerce, consuming experience.*

INTRODUCTION

Undoubtedly, the Internet has changed the consuming behaviour. This is a basic, first, and simple hypothesis that has been critically discussed by several researchers of a great variety of fields. What is of paramount importance though – especially in an age of rapid technological development – such as the development of smart applications and interactive tools (Deighton and Kornfeld, 2008), is to examine the motives that encourage consumers to take digital steps. At this point, a rather interesting distinction derives: internet consumer vs. digital consumer (digital user). This is a distinction which is based on the hotly-debated distinction between passive and active consumers specially to indicate that the web consumers are those who use the web passively in contrast with the digital users who use it for the means of researching, learning, and comparing prices and other information, they have in other words a more active role within the buying process.

Therefore, it would be beforehand not right to claim that all the users of the web are conscious and active. On the other hand, bringing the matter down to a specific and currently large group of the Internet users as consumers are, that is those who use the internet for their purchases or for finding information relating to their purchases, then the procedure they follow

is an active procedure as the motives and needs for the purchase, the researching process and the comparison of products and services, as well as the comparisons of prices, information seeking, evaluation and reviewing, are all involved within it.

However, the most important element of which we are concerned about in the case of digital consumer behavior as well, is that of the influences and motives (Cohen and Areni, 1991) that a conventional consumer obtains on turning into the internet / digital market (Teo and Yeong, 2003). Thus, what is this that encourages the traditional consumer to turn to online shopping or even to use the internet in combination with a more traditional way of shopping?

LITERATURE REVIEW

A proper theoretical approach that could be used in order to examine the motives of internet use by consumers is that of Uses and Gratifications theory (Bantz, 1982; Dobbs, 1992; Rubin, 1983). An interesting research that analyses and discusses the uses and gratifications of users towards the use of social media and online news media is that of Siakalli, et al., (2015) that demonstrated that the users are affected by motives that lead them to use the web for reading various kinds of news. In point of fact, these motives differentiate within social media as well as by the visit directly on the news

webpage. Motives such as interactivity, trust, available time, and so on. The same applies exactly in the case of online shopping. As it can be seen below, within this particular study, consumers choose the internet – not by chance or because it is considered to be a trend or popular – but for specific reasons that are analyzed and discussed further below.

Siakalli, et al., (2015) emphasize on the following matter: “The Uses and Gratifications theory supports that the Users use the Media for their own benefit based on their own needs and requirements.” Although their study (2015) was applied in a different hypothesis, which is in online news, the above statement however is also used in the present study.

Khalifa and Liu (2007) reflect on the experience the consumers obtain through their internet purchasing «journey» and argue that the extent on how bad or good this experience is determines their future decision for repurchasing. The writers (2007) also address to concepts such as after-sale service, transaction efficiency, security, convenience, and cost savings, concepts to which the present study also addresses.

Doolin, et al., (2007), in their study which is applied in the case of New Zealand, examine the level of risk that the consumer might take when purchasing in the internet. What is interesting in their study is the extent in which an internet shopping experience relates to and affects the online purchase behaviour. This is a factor that the present study also examines as within the questions that the participants are asked their experience is examined as well as the extent it affects them, either positively or negatively, when deciding to choose internet again as a means of purchase.

According to Park and Kim (2003), the internet supports the consumers on acquiring more efficiency in the procedure they follow until reaching decision making - that is the same as the procedure they follow in traditional shopping occasions, such as information seeking, price comparisons and so on – and by this way the different element of digital consuming from traditional consuming is supported as digital consuming offers more tools for enhancing the purchasing experience.

A research that demonstrates the differences between offline and online consumers is that of Diaz et al., (2017) which examines the behavior

of consumers when purchasing cinema tickets. More specifically, it examines the variables that urge each group of consumers to buy their tickets.

Furthermore, the comparison between online consumers and traditional consumers is fundamental as through this comparison one can conclude into useful results concerning the trends of consumers as well as gain a deeper understanding on the process that the two groups of consumers follow for making their purchases and product and services searching. A similar research is that of Kim and Ammeter (2018), that distinguish consumers into Net-geners and preNet-geners. This particular research of Kim and Ammeter (2018) concludes that the following characteristics as it regards the process of searching and purchasing products are more important for Net-geners, that is the online consumers: product variety, feedback, responsiveness, personalization, acceptance of complaints, and enjoyment.

OBJECTIVES

To be more specific, the objectives of the present study are as follow:

- To examine the extent of impact of online marketing concerning the behavior of consumers.
- To identify both the benefits and the negative elements of online marketing and how they affect either positively or negatively the online consumers when purchasing an online product.
- To conclude on the characteristics that eventually define the final decision of online consumers and to the role of online advertising on this decision.

METHODOLOGY

The purpose of this study is to collect and analyze data relating to the behavior of consumers who meet their consuming needs through e-commerce and internet marketing services as well as those who have doubts about their involvement in this procedure. The keystones around of which this study was conducted are consumer habits, products and services that are consumed online, the impact of internet marketing, but also the importance of social media networking to promote commercial products through the World Wide Web. Finally, the study was conducted with statistical tools

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and methods of high statistical analysis in order to produce as representative results as possible which could be used also in the future, as it is mentioned in the discussion of the present study.

The survey was conducted through a properly constructed questionnaire. After discussing the objective and purpose of the survey, we distributed paper-based questionnaires and return prepaid envelopes to 250 people. The participants were asked questions regarding use of Internet, online purchases and advertisement etc. 200 (80%) responses from 250 participants were received after subsequent reminders. Finally, 174 complete questionnaires were used for further analysis. The appropriate population to conduct this study was thought that must be the entire consumer community that are using computer and browsing the Internet. Thus, the questionnaires were forwarded to a variety of age groups started by teenagers who buy products and services through their personal savings until retirees, people of older age.

The present study was not limited to those who have no hesitations to buy products and services through the internet but also those who still have doubts and hesitations about such actions.

The questionnaire was used in a pilot survey of ten participants in which the time needed to be answered was recorded as well as some possible

drawbacks of the questionnaire that were then corrected before its final distribution.

RESULTS

In this section we tried to highlight the profile of our sample based on the general use and interaction it has with internet every day. To achieve this, we added a series of questions in our questionnaire in order to identify parameters that identify quantitatively and qualitatively the relationship between the individual and the internet, but also with the rapidity increasing social media networks.

An initial question that is of interest for the consumption trends is whether someone uses the internet during leisure time or working time. This is illustrated in the following diagram 5.1. More specifically, figure 5.1. is interesting, as it is showing the frame in which the sample is using the internet, meaning if the individual uses it in the work time or on the personal time, or if they think they using equally in these two environments. We observe, then, that the absolute majority of the sample 58% is connected to the internet mostly on their personal time, while $\frac{1}{4}$ of the sample 25% mostly are connected during their stay at their workplace. Finally, the 17% feel that they are equally linked when in one of the two environments.

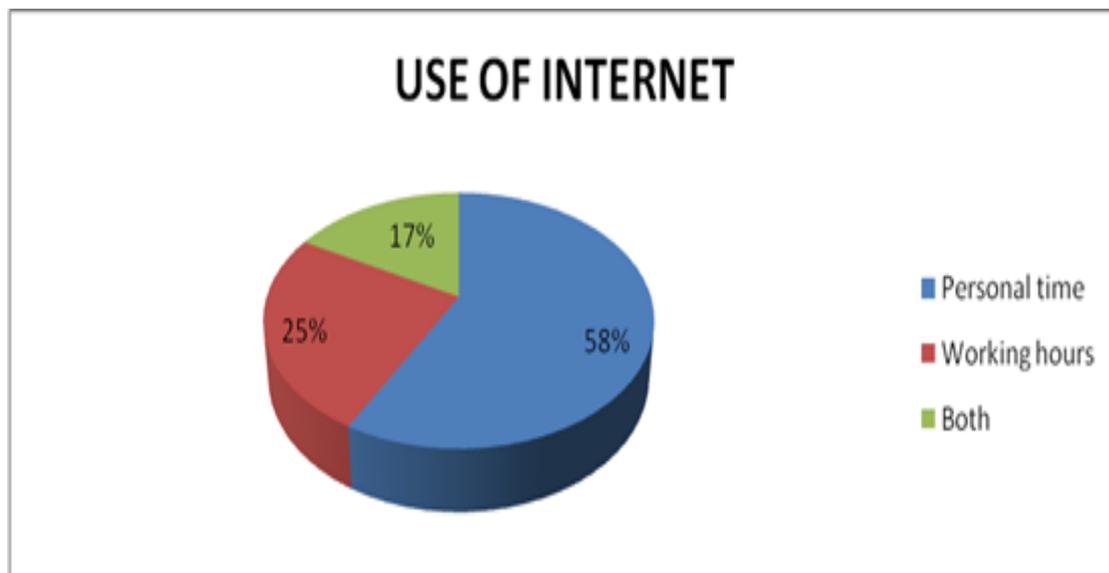


Figure 5.1: Framework of the use of internet

One of the basic matters that have to be examined – which is answered in diagram 5.2., is the impact of internet advertising. Of course, this is a subjective and general question, as it is essential in a future study for the several means

of internet advertising and promoting to be taken into account, such as interactive advertising, viral promoting and cooperative promotion, and so on. Thus, the classification into types of advertising, could offer more expertise results.

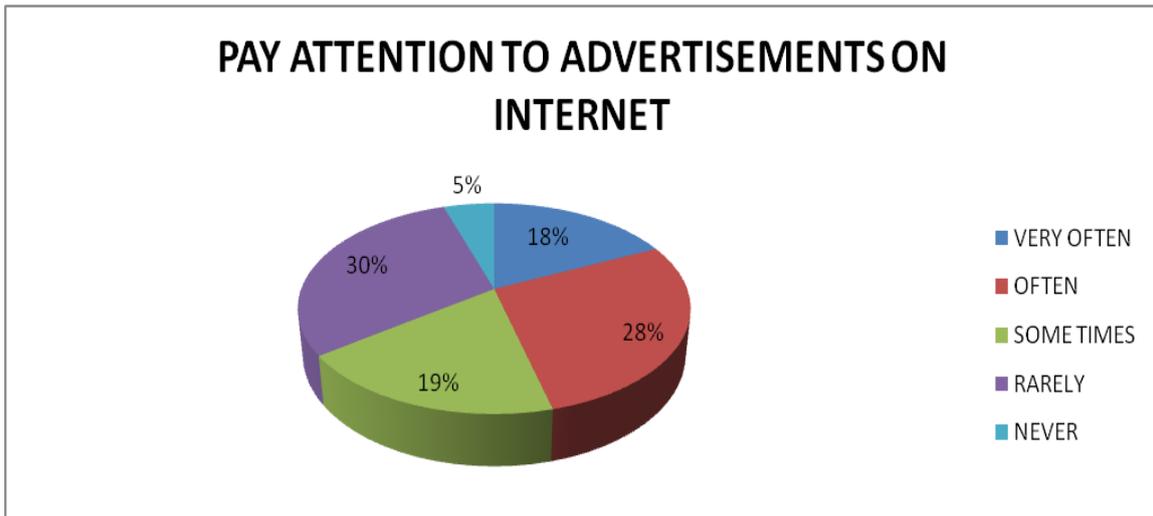


Figure 5.2 : Attention of the participants on online advertisements

It can be noted that 18% of the sample declare that their attention is very often distracted from online ads while a 28% say that this is something that is happening often. Sometimes they have distraction from internet ads response that they have the 19% of the sample while negatively responding to them, response that it has the 30% and of the sample. They say that their attention is rarely removed or almost never from online advertisements.

Interesting, however, is the question about the characteristics of the online advertising that can finally get the attention of the consumer. Some of these characteristics are the images and the colours of the advertisement, the product itself and its price, the text of the advertisement and so on.

Initially, therefore, we wanted to study the everyday use of internet of each person. Based on the results of this study, the vast majority of them 46% uses the internet for more than 5

hours per day, a result that we cannot say it was a surprise and not expected, having in mind the huge invasion of the internet services but also of several other devices such as smartphones and pads in humans' everyday life. Follows with 31% the group of people who are connected to internet from 2 to 5 hours per day while those who use it for 1 to 2 hours per day is 16%. Finally, people that are using the internet for less than one hour per day are the smallest group with 7%.

The diagram, however, which is of great interest, is Figure 5.3. In this figure we can see the distribution of activities that they have motivate the participants to connect to the internet and browse the Web. Several incitements that stimulate users to use the internet are vital as they can be used by advertisers in order to promote the visit incitement of consumers in a particular e-shop, or a platform, and so on.

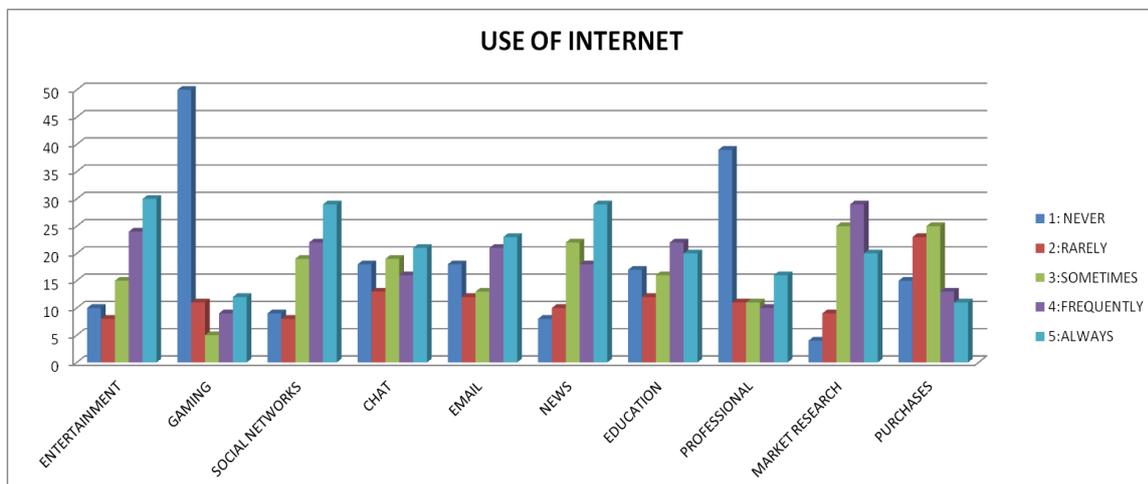


Figure 5.3: Uses of the internet from the participants

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In Figure 5.4 we can see in which extent online advertising leads to its ultimate aim that is to purchase the product. So we can see that the percentage of people who buy products for which they have been informed via Internet advertising too often is too small 2%. However, one important percentage of 20% said they were often driven to relevant purchases. An even

larger percentage of the sample 32% said they are buying products advertised online at a lower frequency. The remaining 46% of the sample said they either never bought a product for the existence of which they have been informed via online advertising or led to relevant purchase but with a very lower frequency.

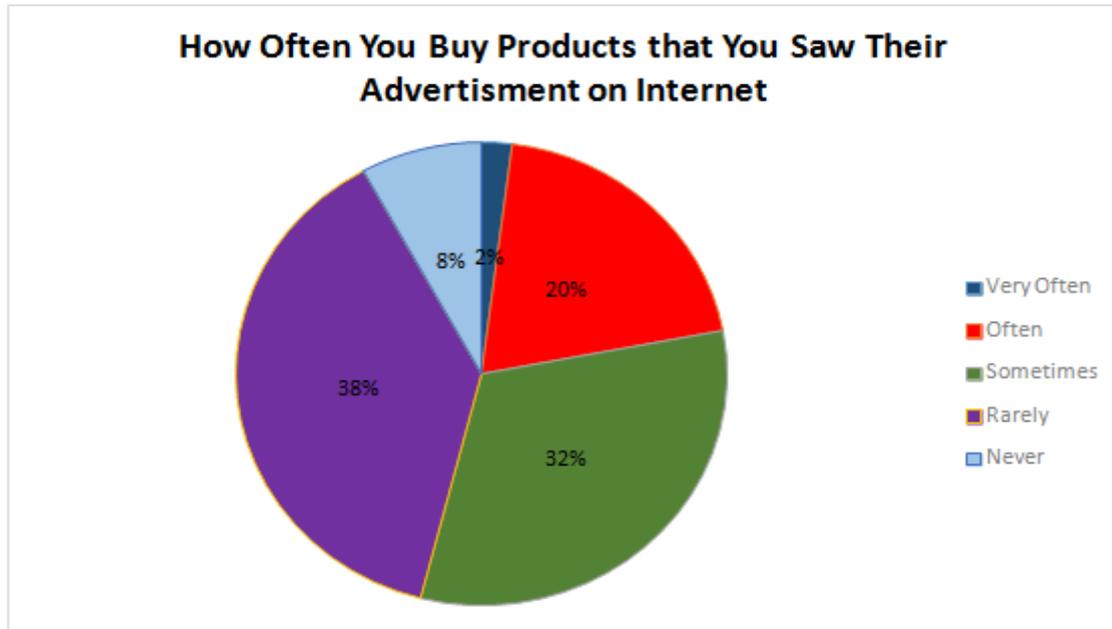


Figure 5.4: Rate of purchases affected from online advertisements

Important for understanding how consumers perceive the concept "Internet Marketing" are the two following figures (5.5 and 5.6).

For instance, an interesting indication is whether consumers decide to purchase a product from the internet by following a certain link connected with an advertisement or found in social media, such as Facebook, or if the consumer prefers to visit the e-shop directly. Of

course, in order to explain such behavior, a variety of external factors should be considered, such as for example the use of applications by consumers, the reasons by which they are encouraged to make internet purchases, whether they are aware of the existence of a particular e-shop in advance or if they find it by chance through advertisements and so on.

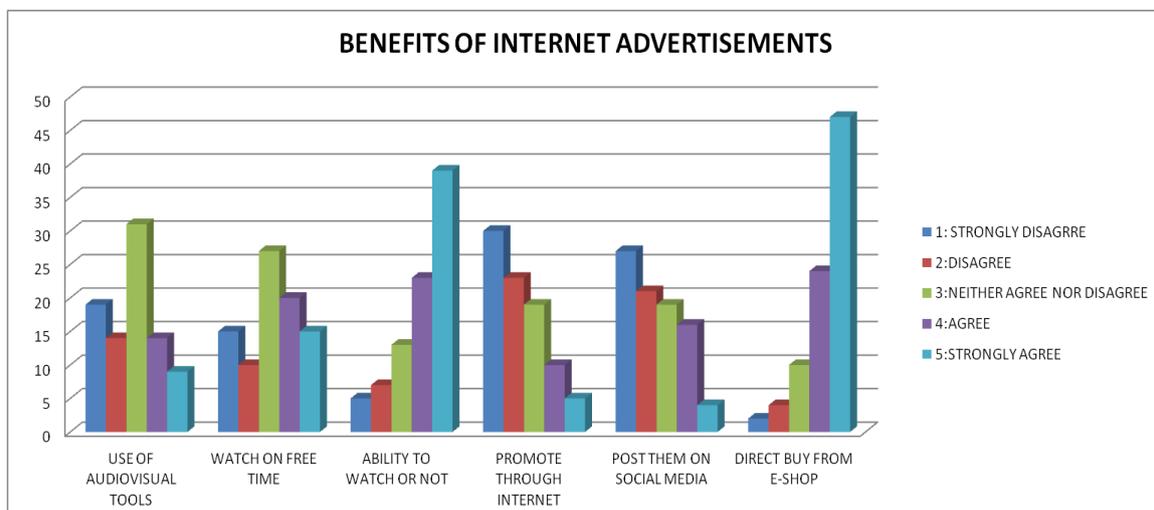


Figure 5.5: Benefits of internet advertisement as seen by participants

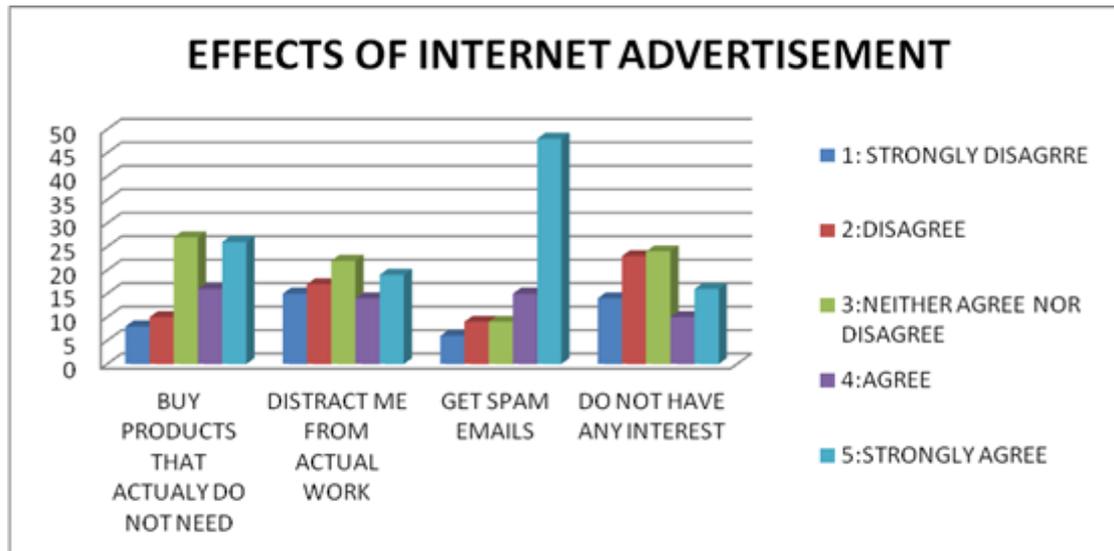


Figure 5.6: Effects of internet advertising as seen by participants

To be more specific, according to the above figures, the following interesting data are extracted for further discussion:

- Throughout the width of the options available to our sample, the one that scored the largest accumulation of responses and in fact with the higher intensity scale is the answer that poses the possibility of auto-direction to the online store for immediate purchase of a product as a benefit of online advertising. As it can be seen in figure 5.5., most of the participants strongly agree that online advertising is what actually make consumers turn to e-shops, and more specifically, to e-shops that are online advertised.
- The placement that came second in the accumulation of answers on the scale of greater intensity is the one in which states that one of its benefits of online advertising is the ability to choose the individual if it will watch it or not. Consumers consider as their own right to have the opportunity to choose to see an advertisement or to hide it and this is thought to be one of the most important benefits. Besides, the modern platforms that are used in online advertising, such as for instance Facebook and Google as well as other applications like Messenger and Truecaller, offer the opportunity to users to choose the amount of advertisements that will reach their laptops or smartphones, or even to hide the ones that do not wish to see.
- Regarding whether audiovisual media that can be incorporated into an online

advertisement is considered to be for the consumer's benefit, the majority of the survey population neither agrees nor disagrees that the implementation of audiovisual material (like video) into an advertisement can be considered as a benefit. This data has a particular interest as a future study could examine in more depth the preferences of online consumers regarding the way or the mean that they wish to see an audiovisual online advertisement, the duration of the advertisement, and last but not least, matters concerning audio and other elements.

- Finally, there is a strong trend towards lower intensity for the questions about whether consumers think promotion of advertising to other internet users or communicating them to media social networking is an added benefit of this. While one would expect that the interactivity between digital consumers is a vital tool on consumers' hands, it seems however that consumers either do not recognize its importance or they indeed do not regard it as essential. This however has to do with technical issues, like for example how user-friendly a tool is for a consumer to share it with other consumers. Or what happens, for instance, with spam advertisements that online consumers do not like, something that is illustrated in figure 5.6.

Figure 5.7 presents particular interest, that according to the following discussion it seems that interactivity has a crucial role in the behavior of digital consumer.

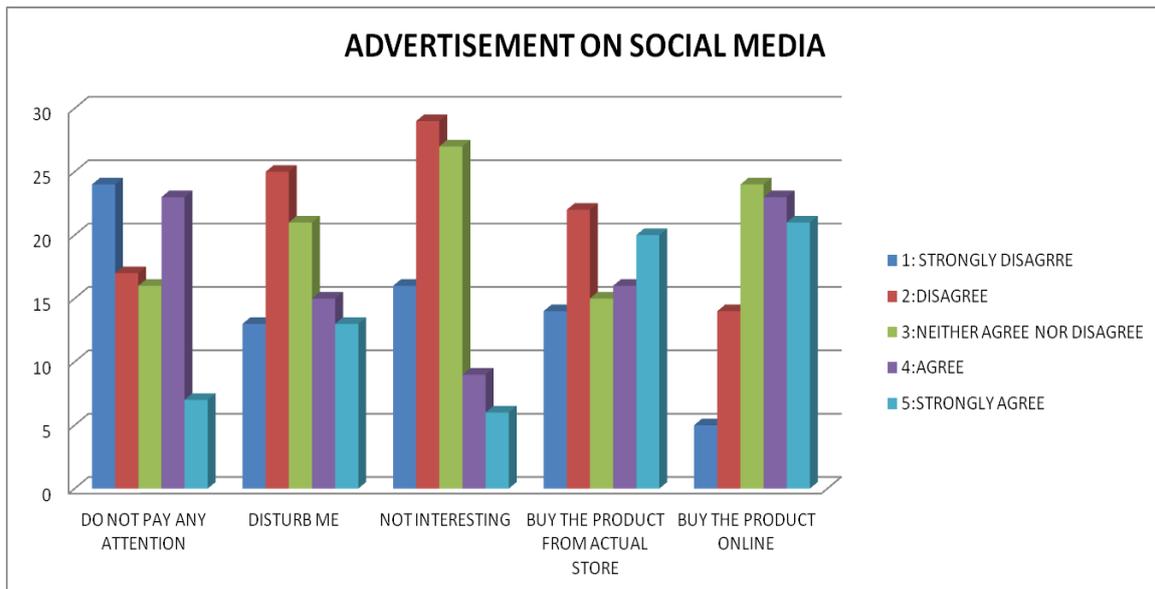


Figure 5.7: Interaction between advertisement on social media and participants

One of the main questions of our study was what products our sample prefers to purchase through online stores and the results are the following:

We notice that the first two places are almost divided equal to the tickets for airplanes, buses and ships 56% and clothing 54%. They follow with an absolute tie 40% the category of cosmetics and par pharmaceuticals with the category of show tickets. With very little difference 38% follow the participants who buy electronic devices over the internet. The market of books, CDs and DVDs is represented 29% of the sample while the computer software market is totally equal with the services market 20% each. In the last position comes purchase of cars or car products with only 7% of the sample that they declare that are procuring related products via the internet.

Important information is provided also in Figure 5.8, which deals with the options of the sample on how they meet their financial obligations to the companies from which the products and services are purchased online.

The sample, therefore, in its large majority (67 people - 77%) chooses payment at the delivery as a way of payment while 42 people (48% of the sample) they use the alternative of prepaid or debit card. The percentage that they use credit cards is particularly low, probably because of the variety of bank products now available for online purchases and reaches 24% (21 people). Finally, the representation in the sample is almost zero of the people who choose the digital money (1 person - 1%) while it was not positive response to alternative payment by electronic check (0 persons - 0%).

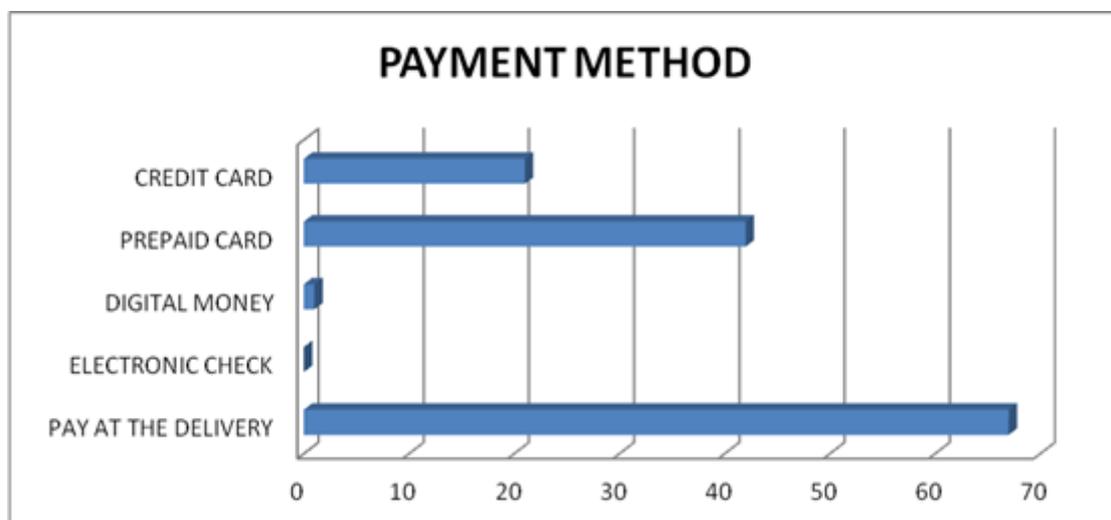


Figure 5.8: Payment methods for online purchases

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The issue of payment for online shopping is strongly related to the security that consumers feel when they buy online, security that when is shaken, creates strong negative feelings to the consumer. So our originally thought was to recognize the part of the sample that had hesitations to adopt online shopping and then understand what was the reason for this

hesitation. In Figure 5.9, therefore, we see the distribution of the sample whether or not they had hesitations before adopting online shopping. The result is clear since 69% of the sample had to overcome specific concerns before making online purchases, one percentage well above 31% that adopted online purchases without hesitation.

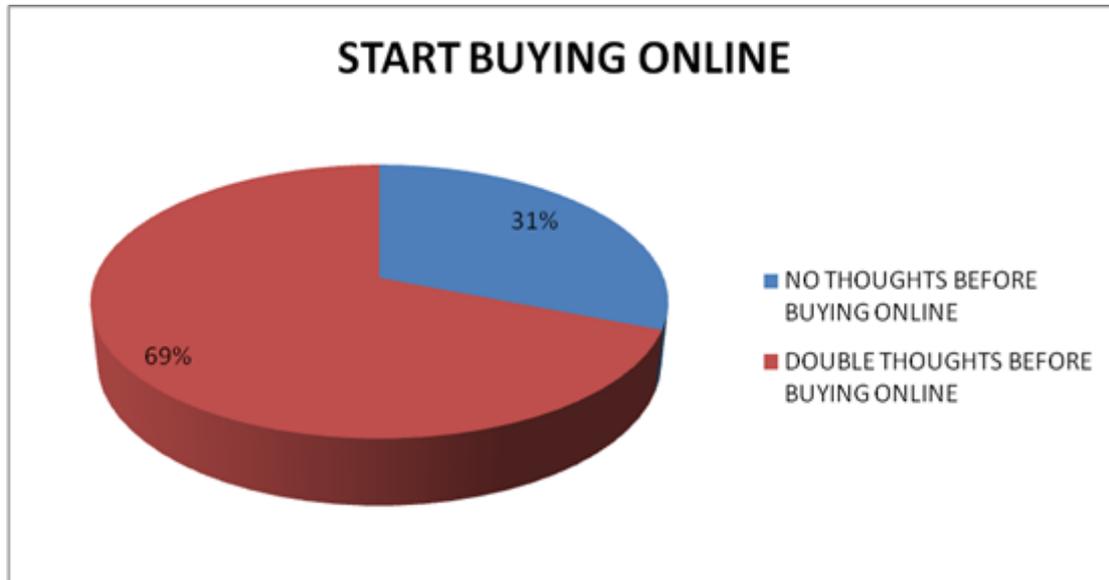


Figure 5.9: *Hesitation or not before buying online*

After we highlighted the percentage of those who had concerns about their first online shopping (Figure 5.9), the next step was to find out what these concerns and doubts were, that had to be eliminated before their first purchases of goods online. The results of the relevant question are shown in Figure 5.10. In this figure, therefore, we see that the main one source of

fears about e-commerce is built - almost-equally by two different consumer doubts. First, our sample in 63% has concerns about the quality of the product which is being sold. There is, however, also a subset of the population 62% of the sample worried about the financial security between the two parties. Next, the two other causes of fears are also almost equal.



Figure 5.10: *Hesitations of the participants before start to buy online*

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Thus, we observe that 39% of the sample are concerned about whether the delivery of the product is reliable or not, while 36% of the sample are concerned about the safety of their personal data. Finally, it is worth noting that, although the consumers have been able to express concerns about the existence of support from the company to the consumer after the sale of the product (After-sales support), consumers have not expressed any concerns about this issue.

The figure below (5.11.) includes the most important reasons why consumers prefer the Internet for their purchases. Precisely, these reasons are as follows: a) the factor of saving time, b) the price factor, c) the factor of the convenient multiple comparisons of products during the same amount of time, d) the factor of product availability, e) easy access, and f) customization of products according to personal needs and demands of consumer.



Figure 5.11: Reasons why participants prefer online purchases

The final question of our study is about the general view that consumers have for online shopping in an effort to showcase the more general image on this issue from consumers point of view (Figure 5.12.). We observed that the majority of the sample 46% is fully satisfied with online shopping but they still prefer shopping in physical stores. The second most

preferred answer is the category that includes the participants who simply say they are happy with their online shopping 34% while in the third place comes those who are completely satisfied with online shopping and they think it is the best way to get the products and services they need.

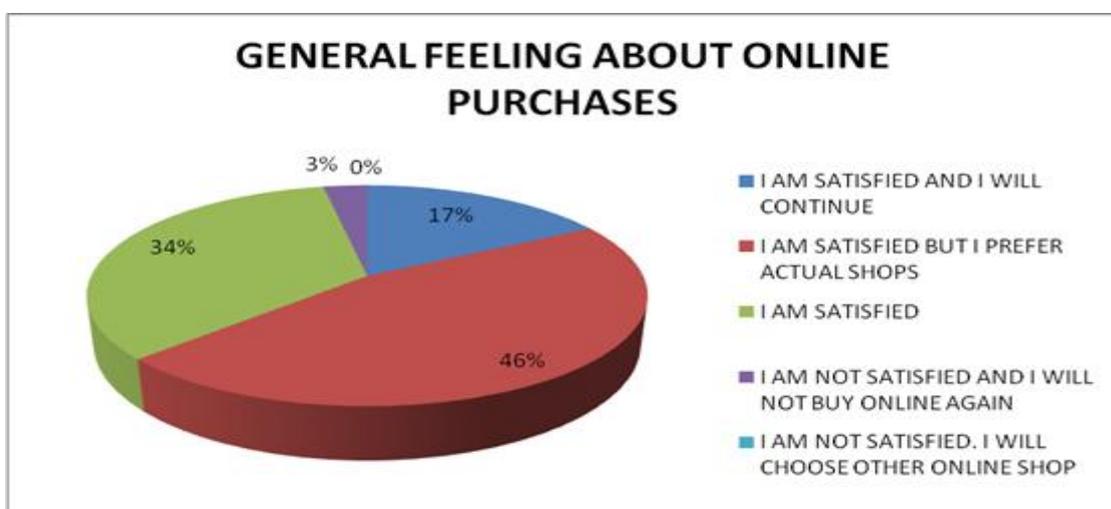
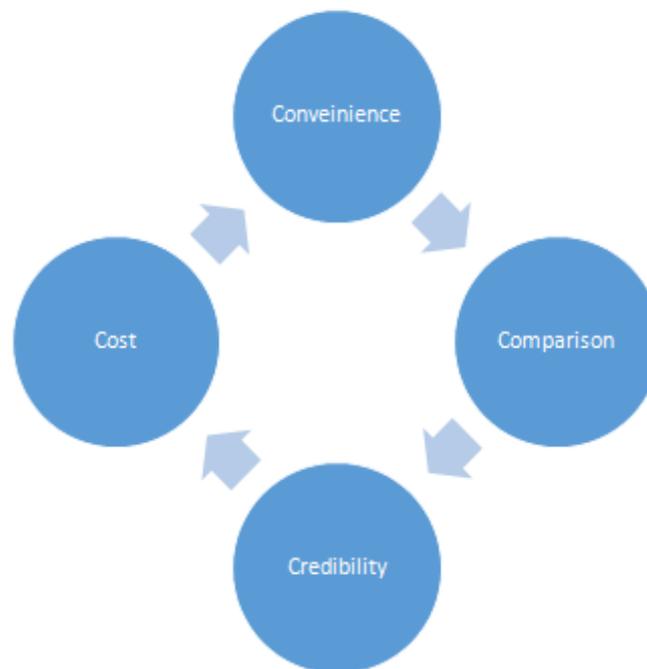


Figure 5.12: General feeling regarding online purchases

DISCUSSION – THE 4C'S ONLINE SHOPPING APPROACH

The data mentioned previously demonstrate the trends of the motives which is in other words the «why» consumers turn to the internet or to the internet in combination with the conventional way of purchasing, what these motives urging them are exactly, and also the way, which is the «how» the internet is used when purchases are made. Based on the above responses of the participants, the data were classified into categories according to four basic factors that

encourage consumers into choosing the internet for their purchases or in combination with the conventional way of purchase, as some consumers use the internet for finding and comparing information but in the final stage turn to conventional shops for completing the purchase. This particular combination holds a special interest as to the procedure that consumer chooses to follow when buying a product or a service. These four factors are namely: Convenience, Comparison, Credibility, and Cost.



The factor of “convenience” suggests the convenience the internet offers to consumers as they save time, energy and effort. A contrasting but interesting point that derives from the present study is the fact that while the consumers choose the internet for their purchases because they save time and effort, they worry however, for the delivery of the product. The factor of “comparison” indicates the interactivity that the digital consumer deals with by using the internet for purchases or generally for seeking information on the products and services. The comparison is a basic trait of the consumer behaviour, which in the case of the digital consumer, is enhanced significantly with various technological interactive tools. The factor of “credibility” seems to be an ambiguous element of the study. A large proportion feels confident to trust the internet for purchases whereas another equally important proportion does not feel much confidence on doing so. This, for instance, can be seen from the way of

payment, as a significant number of them choose to pay only when the product is being delivered, but it can also be seen from the fact that a highly given answer to the question regarding the first worries for buying online was the safety of transactions but also the quality of the product. Last but not least, concerning the factor of cost, it has a crucial role especially as far as the possibility of comparing prices is concerned within real time and a broad range of competitive products and services.

The 4C's online shopping approach may be applied in other cases of digital purchasing and be extended in other fields of e-commerce whereas in a future study more factors of motives can be taken into consideration and be enhanced by numerous variables. A field of the market, for instance, that could apply this approach is tourism, as a great number of consumers prefer the internet, or conventional travel agents or both in combination when making a booking of their touristic product.

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