



NEAR EAST UNIVERSITY
FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES
DEPARTMENT OF BUSINESS ADMINISTRATION

INTERNET AND MARKETING
(ON-LINE CUSTOMER PURCHASING BEHAVIOUR)

MAN 400
GRADUATION PROJECT

SUBMITTED BY: CEM ORHANOĞLU (960536 / BUSS)

SUBMITTED TO : ASST. PROF. DR. AHMET ERTUGAN

MAY 2004

LEFKOŞA

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MARKETING AND INTERNET

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ABSTRACT

Internet was found at the second half of the 20th century, and was first used for U.S. Army communication systems. Internet, “www” means World Wide Web, and just can be anywhere in the world. The developments in technology have created a new market called “on-line market” or e-market. This market has a great growing aim as it has no boundaries. Consequently, Internet is seen as one of the main drivers responsible in starting the globalisation concept.

This study has focused on the impact that the Internet has on marketing as discussed in the main marketing books and journals. References on published research concentrated on how the Internet was used as a channel of communications by firms and customers to support the exchange process as a view of marketing. The main aim of the study was to identify the factors involved in on-line customer purchase behaviour and test the effectiveness of these factors as perceived by customers and the volume of the purchases established.

The selected theoretical model (Becker-Olsen, 2000) was tested amongst 91 people of whom 23 responded. The results were supportive of the Becker-Olsen model (2000), however, the literature review and the empirical findings of this study reached the conclusion that further models need to be developed to enhance the understanding of the impact of the Internet or e-marketing has on marketing theory and practice.

SECTION 1

1.1 Introduction

In the early 21st century, the Internet has become the most discussed topic in business and in the media more generally. The speed of development of electronic marketing has been extremely fast by any standards, and especially compared with the slow process of academic research and publication in marketing and other social sciences.

However, the extent to which digital media such as the Internet will revolutionize business, home life, and the relationship between marketer and consumer is still controversial. Earlier innovations such as the electric telegraph, the railroad, electricity, the telephone, the automobile, the airplane, radio and television have all had widespread impact on both business and everyday life, although perhaps none of them (with the possible exception of electricity) quite matches the combined speed and scale of the internet's impact.

The technology boom has created exciting new ways to learn about and track customers, create products and services tailored to meet customer needs, distribute products more efficiently and effectively, and communicate with customers in large groups or one-to-one.

What is clear is that the Internet combines many of features of existing media with new capabilities of interactivity and address ability, as well as making it much easier for both companies and individuals to achieve a global reach with their ideas and products. It has been adopted on a massive scale, especially in North America, Australia and the Nordic countries, and its effects will be felt in almost every market and on almost every aspect of marketing. These impacts range from the most micro (such as the layout of Web pages and banner

advertisements) though to the most macro (such as whether corporate profitability will be lower in frictionless markets or whether large numbers of service jobs will be exported to low-wage economies or even replaced by technology).

The internet impacts every area in business, especially marketing strategy, channel management, pricing, marketing communications, customer service, decisions for support systems, data base marketing, global marketing and business-to-business marketing.

1.2. Aims of Study

This study will focus on the main ways in which the Internet is impacting marketing as discussed in the main marketing textbooks and journals. It will view marketing as the process of exchange and concentrate on published research, which looks at how the Internet is being used as a channel by firms and customers to support the exchange process.

The main aim of this study is to identify the factors involved in on-line customer purchase behaviour and test the effectiveness of these factors as perceived by customers and the volume of purchases established.

1.3. Methodology

1.3.1. Literature survey will be carried out to understand on-line marketing and purchasing behaviour and the factors involved in deciding the outcome of on-line purchases.

1.3.2. A theoretical framework will be constructed to understand and to be able to test the mechanism of online purchasing behaviour in practice.

1.3.3. The behaviour of on-line customers will be observed by a questionnaire, which will be designed based on the theoretical model to be constructed or adopted.

SECTION 2

LITERATURE REVIEW (Online customer acquisition)

This section starts by reporting on factors that affect consumer buying behaviour and then carries on by reporting research on the factors, which influence customer's adoption and usage of the internet. It then discusses online advertising for customer acquisition, and customer channel choice.

2.1 Consumer Buying Behaviour

The consumer market consists of all the individuals and households who buy or acquire goods and services for personal consumption. The simplest model of consumer buyer behaviour is the stimulus-response model. According to this model, marketing stimuli (the four ps) and other major forces (economic, technological, political, cultural) enter the consumer's "black box" and produce certain responses. Once in the black box, these inputs produce observable buyer responses, such as product choice, purchase timing, and purchase amount.

Consumer buyer behaviour is influenced by four key sets of buyer characteristics: cultural, social, personal and psychological. Although many of these factors can not be influenced by the marketer, they can be useful in identifying interested buyers and in shaping products and appeals to serve consumer needs better. Culture is the most basic determinant of a person's wants and behaviour. It includes the basic values, perceptions, preferences, and behaviours that a person learns from family and other important institutions. Subcultures are "cultures within cultures" that have distinct values and lifestyles and can be based on anything from age

to ethnicity. People with different cultural and sub cultural characteristics have different product and brand preferences. As a result, marketers may want to focus their marketing programs on the special needs of certain groups.

Social factors also influence a buyer's behaviour. A person's reference groups – family, friends, social organizations, professional associations- strongly affect product and brand choices. The buyer's age, life-cycle stage, occupation, economic circumstances, lifestyle, personality, and other personal characteristics influence his or her buying decisions. Consumer lifestyles-the whole pattern of acting and interacting in the world- are also an important influence on purchase decisions. Finally, consumer-buying behaviour is influenced by four major psychological factors- motivation, perception, learning, beliefs and attitudes. Each of these factors provides a different perspective for understanding the workings of the buyer's black box.

Buying behaviour may vary greatly across different types of products and buying decisions. Consumers undertake complex buying behaviour when they are highly involved in a purchase and perceive significant differences among brands. Dissonance reducing behaviour occurs when consumers are highly involved but see little difference among brands. Habitual buying behaviour occurs under conditions of low involvement and little significant brand difference. In situations characterized by low involvement but significant perceived brand differences, consumers engage in variety-seeking buying behaviour. When making a purchase, the buyer goes through a decision process consisting of need recognition, information search and evaluation of alternatives, purchase decision, and post purchase behaviour. The marketer's job is to understand the buyer's behaviour at each stage and the influences that are operating. During need recognition, the consumer recognizes a problem or need that could be satisfied

by a product or service in the market. Once the need is recognized, the consumer is aroused to seek more information and moves in to the information search stage. With information in hand, the consumer proceeds to alternative evaluation, during which the information is used to evaluate brands in the choice set. From there, the consumer makes a purchase decision and actually buys the product. In the final stage of the buyer decision process, post purchase behaviour, the consumer takes action based on satisfaction or dissatisfaction.

The product adoption process is comprised of five stages: awareness, interest, evaluation, trial, and adoption. Initially, the consumer must become aware of the new product. Awareness leads to interest, and the consumer seeks information about the new product. Once information has been gathered, the consumer enters the evaluation stage and considers buying the new product. Next, in the trial stage, the consumer tries the product on a small scale to improve his or her estimate of its value. If the consumer is satisfied with the product, he or she enters the adoption stage, deciding to use the new product fully and regularly.

With regard to diffusion of new products, consumers respond at different rates, depending on the consumer's characteristics and the products characteristics. Consumers may be innovators, early adopters, early majority, late majority, or laggards. Innovators are willing to try risky new ideas; early adopters -often community opinion leaders- accept new ideas early but carefully; the early majority -rarely leaders- decide deliberately to try new ideas, doing so before the average person does; the late majority try an innovation only after a majority of people have adopted it; whereas laggards adopt an innovation only after it has become a tradition itself. Manufacturers try to bring their new products to the attention of potential early adopters, especially those who are opinion leaders.

2.2 Predictors of Adoption and Usage of Online Media

In the context of the Internet, customer acquisition depends both on the growth in Internet penetration and usage and on how the Internet then influences the adoption and diffusion of other products and services.

Emmanouilides and Hammond (2000) used logistic regression to explore four successive waves of survey data on Internet users. They found that the main predictors of active or continued use of the Internet were: time since first use (very early adopters were the most likely to be active users, but this relationship was curvilinear, with middle adopters more likely than other groups not to have used the Internet previous month); location of use, particularly at home; and the use of specific services, such as information services. The main predictors of frequent or heavy Internet users were: use of e-mail for business purposes; time since first use the Internet; and location of use (either use at work or use at home with two or more other people).

Li et al (1999) found that education, convenience orientation, experience orientation, channel knowledge, perceived distribution utility, and perceived accessibility were robust predictors of the extent to which an internet user was a frequent online buyer.

2.3 Online Advertising for Customer Acquisition

For most established businesses, the Web's main role is either to reduce costs or to add value for existing customers, but it also has a potential role in customer acquisition, and in the case of a Web start-up, this role is crucial. Both large corporate companies and Web start-ups see driving traffic to the site as one of the most important as well as the most difficult

determinants of the sites success. A few Web start-ups have been extremely successful at generating free publicity. Others have been adopting at so-called viral marketing (i.e. electronic word-of-mouth), the classic case being Hotmail: anyone with a free e-mail account has a motive to encourage their friends to set one up too. More generally, although Free Traffic Builders (FTBs: search engines, directories, news groups, listservs, bulletin boards, and chat rooms) offer free online promotion, none of these had much impact in generating traffic. Web start-ups have therefore had to spend heavily on traditional media. The scale of their marketing expenditure relative to their revenue is one of the main causes of failure among start-ups, especially business-to consumer (B2B) dotcoms. In a business-to-business (B2B) context, Bellizzi (2000) found that mentioning or simulating the website in print ads significantly increased site traffic. The ability of popular search engines to locate specific marketing/management phrases was modelled by Bradlow and Schmittlein (2000). They concluded that, in addition to the size of the search engine (i.e. total number of pages indexed), the sophistication of the manner in which the engine searched (depth of search, ability to follow frame links and image maps, and ability to monitor the frequency with which a page's content changes) also affected the probability that a given engine could locate a given URL (web page). Early researchers (Hoffman et al., 1995; Rust & Oliver, 1994) predicted that consumers might abandon their traditionally passive role and actively seek out advertisements of relevance to them. It has also been suggested that a decrease in consumers search cost, coupled with technology to enable consumers to filter and block unwanted advertisements, *plus the ability of advertisers to offer targeted rewards for viewing ads*, may lead to an 'unbundling' of advertising and content. Several studies have looked at manager's perceptions of the Internet as an advertising medium (Bush et al., 1999; Ducoffe, 1996; Leong et al., 1998; Schlosser et al., 1999). Bush et al (1999) found that, while advertisers were generally keen to use the Web to communicate product information, they were concerned

about security/privacy, and uncertain how to measure the effectiveness of online advertising. Leong et al (1998) reported that website managers perceived the web to be a cost effective means of advertising, well-suited for conveying information, precipitating action, and creating brand/product image, awareness and objectives enjoyment of looking at web adverts contributed more than the informativeness or utility of the ad towards consumer attitudes towards web advertising. This finding was mirrored by the responses of a demographically weighed-to-match sample who answered questions on advertising in general, showing that the reported perceptions of internet advertising were not just a reflection of the demographics of internet users.

It has been found that the greater degree of interactivity the more popular the web site (Ghose & Dou, 1998). However, interactivity does not always enhance advertising effectiveness as it can interrupt the process persuasion, especially when ads are targeted. Hoffman and Novak (2000) discussed a range of issue customer acquisition methods in the context of CDNOW's integrated strategy for attracting new customers. This strategy involved a combination of traditional media (radio, television and print) some online advertising (e.g. banner ads), a sophisticated revenue-sharing affiliate program, strategic partnerships with traffic generators such as AOL, plus PR, free links, and word-of-mouth. Some of these marketing strategies, particularly revenue sharing, are based on the many-to-many communication model that underlies the Web. Hoffman and Novak concluded that revenue sharing, a very different model from the impression-based advertising, which still dominates broadcast media, was the most cost-effective means of acquiring customers. In one of the first empirical studies of Internet users, Mehta and Sivadas (1995) found that, while Internet users were fairly negative in their attitude toward online advertising, they were more likely to respond to targeted than to non-targeted ads. It has been found that, unsurprisingly, the nature of the ad copy also affects

the click through rate. Building on this research the same authors modelled click through probabilities and more surprisingly found that the addition of an extra banner ad on a page did not reduce the click through rate of the first banner ad (Hofacker & Murphy, 2000). However, Griffith & Cramth (2000) found that consumers viewing a retailer's product offering through a print ad were more involved with the offering, and recalled more about the product and the brand, than did consumers viewing the same offering online.

Leckenby and Hong (1998) continued the search for appropriate web audience measures by developing and testing six models of reach and frequency estimation. They found that models developed for magazine or television data generally performed equally well with Internet data, with the simplest model, the Beta Binomial, providing the greatest accuracy.

2.4 Customer Channel Choice

Several authors have explored channel choice, highlighting the differences in potential consumer benefits across channels, and in some cases, gathering evidence on consumer preferences. Becker-Olsen (2000) reported a survey, which suggested that the most important factors determining whether consumers buy online are whether this fits into their lifestyle, and the extent to which they perceive it as easy and convenient. Even those who did buy online did not perceive it as quicker or less expensive, nor did they feel that they received better service. Those not buying online felt that traditional shopping was easier, quicker, cheaper and more convenient for their particular lifestyle. Other important factors were the need to see/touch the product (in some categories) and consumers need to have the product immediately. Neither group (online buyers and non-buyers) seemed strongly concerned with

security risks, although especially those who had not purchased online saw the overall credibility of the company/site as important.

Finally, among those who had bought online, the most important factors determining their purchase behaviour were the ability of the site to load quickly, availability of familiar brand names, and a clear return policy. This result imply that consumers are more interested in getting on and off the site quickly than in browsing and developing a relationship.

This supports the view that marketing relationships are by nature exchange – oriented rather than relational.

SECTION 3

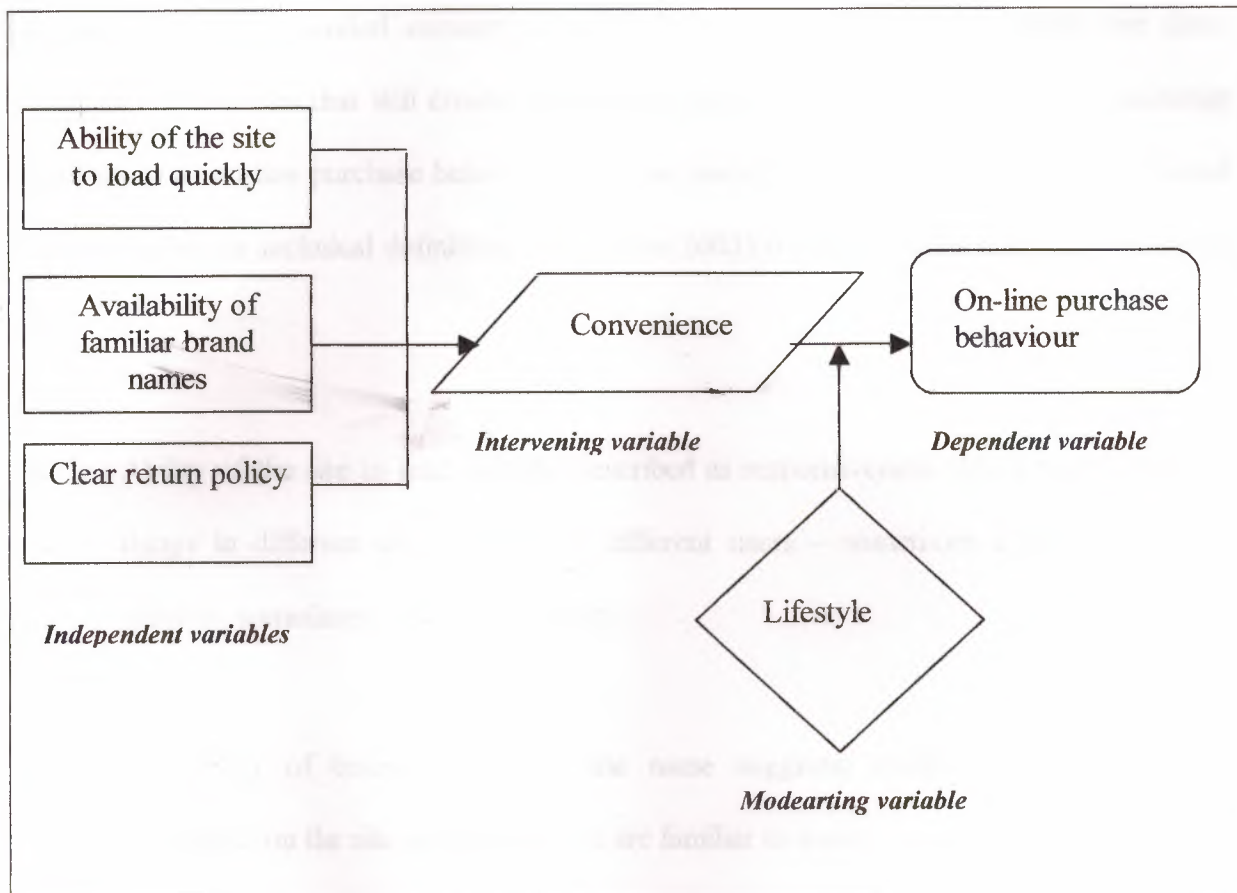
CONCEPTUAL/THEORETICAL MODEL

This section will try to form a conceptual/theoretical model in which to define and label the variables involved in on-line customer purchase behaviour and to test the effectiveness of these variables as perceived by companies and volume of purchases established.

The literature review carried out in section two paints a complicated picture on the variables involved that affect the on-line purchase behaviour of customers. One could not possibly come out with one theoretical model that encapsulates all the research carried out on the issue of purchase behaviour on the Internet. The lack of correlations between the variables discussed in research findings are perhaps stem from the fact that exchange on the internet is a new phenomenon and much empirical research need to be carried out before obtaining a clear picture.

For the aims of this study, the following theoretical model is formed based on the findings of Becker-Olsen (2000).

Figure 3.1: Suggested theoretical model to understand customer on-line purchase behaviour (based on Becker–Olsen, 2000)



The above model based on the reported survey (2000) by Becker-Olsen is founded on three principles. First, marketing relationships are relationships of exchange and not personal; second people will react positively to convenience defined as cheap, quick, and available; and the overall on-line purchasing behaviour will be affected by the degree of appropriate lifestyle. Such lifestyle was defined by Emmanuelides and Hammond (2000) who found that the main predictors of active or continued use of the Internet were: time since first use (very early adopters were the most likely to be active users, but this relationship was curvilinear,

with middle adopters more likely than other groups not to have used the Internet at previous calendar periods.

In line with the grounded concept presented by Becker-Olsen (2000), there are three independent variables that will create convenience for the customers simulating the exchange mechanism as on-line purchase behaviour. Further understanding of this process is enhanced by looking at the technical definitions (Houghton 2003) of the variables illustrated in Figure 3.1.

- Ability of the site to load quickly: described as responsiveness, which means different things in different channels and to different users – sometimes it, has a “human” element, sometimes a “speed” element.
- Availability of brand names: As the name suggests, availability of products or companies on the site with names that are familiar to users.
- Clear return policy: Clear guidelines on the conditions of sale and return policies that should create trust and security.

The more the existence and the value of the above variables the more convenient it will be perceived by the customer to shop at the site. Convenience, therefore, is regarded as the intervening variable that directly influences the on-line purchasing behaviour. One could say that, convenience is related to the “Place” element of the marketing mix. Therefore, an Internet website is nothing but a distribution point and the company should plan the site as part of the distribution or availability and convenience strategy.

However, if we imagine an Internet site as a selling point than like any physical selling point, different buyers with different lifestyles and buying habits will call at selling points of different styles. This agrees with the survey conducted by Becker-Olsen (2000) in that no matter how convenient the degree of on-line purchasing will be controlled by the lifestyle of users. This also corresponds with the approach to segmentation that classifies customers according to their buying behaviour such as buying frequency, and buying locations (Kotler & Armstrong 2004). This is classified as behavioural segmentation by Kotler & Armstrong (2004) who define it as the approach that divides buyers into groups based on their knowledge, attitudes, uses or responses to a market. Lifestyles also depend on the psychological segmentation variables. This type of segmentation also described by Kotler & Armstrong (2004) as the approach that divides the buyers into different groups based on social class, lifestyle, or personality characteristics.

SECTION 4

QUESTIONNAIRE RESULTS

The results of the questionnaire (see appendix) were interpreted through question-by-question basis as follows:

A. Screening Question

Q.1 Do you shop on the Internet?

Yes	No	Total
23	68	91

A total of 91 people were interviewed at random through telephone and face-to-face interviewing techniques. The 23 of the 91 interviewed said they used the Internet for shopping and 68 of 91 said they did not.

The result was that 25% of the sample said they used the Internet for shopping purposes

B. Demographic Questions

Man	Woman	Total
64	27	91

The sexual composition of those interviewed was 70% men and 30% women.

2. Which age group do you belong?

18-25	26-35	36-50	51-60	61+
11	6	2	3	1

The 23 people that responded to the questionnaire were mostly from the 18-25 age group (47%), (11/23), followed by the 26-35 age group (26%), (6/23). Only one respondent fell into the age group of 61+.

The result was that the majority of the Internet shoppers in the sample were between the 18-35-age range and nearly half of the shoppers were from the 18-25 age group.

Q.3 Which income group do you belong?

400m-800m	800m-1,200m	1,200m-1,700m	1,700m-2,200m	2,200m+
2	13	4	1	3

The 56%, (13/23), of the people that responded to the questionnaire belonged to the 800m – 1,200m TL income bracket. The follower group was 1200 – 1700m TL bracket with 17%, (4/23).

The main finding was that more than half the respondents in the sample had a monthly income of above 800m TL.

Q.4 How would you classify your occupation according to the following?

Labourer	Student	State	Private	Unemployed
2	12	3	5	1

The 52% (12/23) of the respondents were identified as students and 22% (5/23) as working in the private sector.

The result was that nearly the 3 out of 4 people that respondent to the questionnaire were either students or people from the private sector businesses.

Q.5 How do you classify your education?

Primary	Secondary	University	Postgraduate
-	2	17	4

The 73% of the respondents classified their education as “university” and 22% as “post graduate”.

The result was that 95% of the Internet shoppers in the sample have received higher education.

Q.6 Where do you usually make your Internet shopping?

At Home	At Work	Elsewhere
17	5	1

The people that responded to the questionnaire said that they mostly make their Internet shopping at home (74%), (17/23), and at work (22%), (5/23). The other 4% used Internet Cafés for their on-line shopping.

The result was that a great majority of the people in the sample chose to do their shopping at home.

C. Site Loading Speed

Q.7 Do you wait for sites that load slowly?

Never				Always
1	2	3	4	5
12	7	3	-	1

Low Box	High Box	Mean	Standard Deviation	P Value
4	1	1.74	0.62	0.23

The 52% (12/23) of the respondents said that they never waited for the slow loading Internet sites. This was reflected in the high-box being identified as 1 and the low-box value as 4 on the never-always, 5-point Likert scale. The low standard deviation value of 0.62 reflected the consistency of the sample and results and the P value of 0.23 with a 96% confidence level.

The main finding is that more than half the Internet shoppers do not prefer slow loading sites.

Q.8 How important the “user friendliness” of the site is for you?

Never				Always
1	2	3	4	5
-	-	4	10	9

Low Box	High Box	Mean	Standard Deviation	P Value
1/2	4	4.21	0.69	0.25

The 83%, (10/23) + (9/23), of the respondents said that they usually preferred the “user friendly” Internet sites. This was reflected in the high-box being identified as 4, and the low-box value as 1/2 on the never-always, 5-point Likert scale. The low standard deviation value of 0.69 reflected the consistency of the sample and results and the P value of 0.25 with a 96% confidence level.

The main finding is that over 83%, (19/23), of the Internet shoppers do prefer user-friendly sites.

D. Familiar Brand Names

Q.9 How much does the existence of the familiar brand names on a site affect your purchases?

Never				Always
1	2	3	4	5
-	1	3	6	13

Low Box	High Box	Mean	Standard Deviation	P Value
1	5	4.34	0.57	0.21

The 57% (13/23) of the respondents said that they always preferred to see familiar brands on Internet sites. This was reflected in the high-box being identified as 5, and the low-box value as 1 on the never-always, 5-point Likert scale. The low standard deviation value of 0.57 reflected the consistency of the sample and results and the P value of 0.21 with a 96% confidence level.

The main finding is that more than half the Internet shoppers preferred sites that had familiar brand names.

E. Clear Return Policy

Q.10 Do you choose to shop at sites that have a clear return policy?

Never		Always		
1	2	3	4	5
-	-	2	10	11

Low Box	High Box	Mean	Standard Deviation	P Value
1-2	5	4.39	0.51	0.19

The 91%, (10/23) + (11/23), of the respondents said that they always chose the Internet sites that offered a clear return policy. This was reflected in the high-box being identified as 5, and

the low-box value as 1/2 on the never-always 5-point Likert scale. The low standard deviation value of 0.51 reflected the consistency of the sample and results and the P value of 0.19 with a 96% confidence level.

The main finding is that well over 90% of the Internet shoppers do prefer sites with clear return policies.

F. Convenience

Q.11 How do you define convenience?

Cheap & available	User Friendly	Quick Loading	Clear Return Policy	All
2	-	-	-	21

The respondents found all the defined attributes, cheap and available, user friendliness, the quick loading, and the clear return policy as convenient.

The main finding is that convenience is described as cheap and available, user friendly, quick loading, and as a clear return policy.

SECTION 5

CONCLUSIONS

The section presents the conclusions of the study in two parts; part 1, as conclusion on the questionnaire, and Part 2, as the conclusion on theory:

5.1 Part 1: Conclusion on Questionnaire results

5.1.2 Major findings

The following were the major findings obtained from the questionnaire as carried out for the purpose of this study:

1. The 25% of the sample said they used the Internet for shopping purposes.
2. The sexual composition of those interviewed was 70% men and 30% women.
3. The majority of the Internet shoppers in the sample were between the 18-35-age range and nearly half of the shoppers were from the 18-25 age group.
4. More than half the respondents in the sample had a monthly income of above 800m TL.
5. The 3 out of 4 people that responded to the questionnaire were either students or people from the private sector businesses.
6. The 95% of the Internet shoppers in the sample received higher education.

7. A great majority of the people in the sample chose to do their shopping at home.
8. More than half the Internet shoppers do not prefer slow loading sites.
9. Over 83% of the Internet shoppers do prefer user-friendly sites.
10. More than half the Internet shoppers preferred sites that had familiar brand names.
11. Over 90% of the Internet shoppers do prefer sites with clear return policies.
12. Convenience is described as cheap and available, user friendly, quick loading, and as a clear return policy.

The major findings of the study indicate two main pieces of information: The profile of Internet shoppers and the priority wants of the Internet shoppers that the suppliers need to watch carefully.

The profile of Internet shoppers could be described as mostly men, with middle-income backgrounds. They are mostly students with some workers from the private sector. The great majority of the Internet shoppers are highly educated people with access to the Internet facilities at home.

Suppliers need to prove convenient for the Internet shoppers. In practice this means a stock and a promotion of known brands. Customers should be offered competitive prices with clear return policies. Such policies are needed to compensate for the lack of the actual trial one could have when shopping in the real world. Above all the Internet sites used by the suppliers to exhibit their goods should be "user-friendly". This concept is

translated by the customers as easy, quicker download facilities and the degree of interactivity at the site.

5.2 Findings on theory

There are many theories that are used to determine the characteristics of the online customer buying behaviour. Some of these theories have great similarities on major forces such as the economic, technological, political, and cultural. However, at the same time there are distinct differences on the theories, because of the difficulties involved in measuring human behaviour.

There are many theoretical models offered to describe the buying behaviour of people on the Internet. Most of these are either explorative or descriptive in nature. Further studies are needed to work out and test hypotheses that sprang from these models.

5.3 Conclusion

Even in the US and Northern Europe, the Internet is only a recent part of most consumers lives – and its penetration is still much lower than traditional mass technologies (TV, radio, mail, telephone, automobile). In other countries, its penetration is even lower. Internet adoption and usage are still increasing among consumers and businesses, especially in countries with lower penetration today. As it approaches universal adoption

and usage, its role within marketing – especially international marketing – will continue to grow.

For instance, the Internet is steadily increasing its share of advertising in most countries and it will take time and contrary to some of the earlier hypothesis, this study indicated that the Internet does not change the fundamental principles of marketing.

APPENDIX

On-line Purchasing Behaviour – Questionnaire

A. Screening question

1. Do you shop on the Internet ?

Yes	No
-----	----

If yes, than may you please answer the following;

B. Demographic Questions

Man	Woman
-----	-------

2. Which age group do you belong to?

18-25	26-35	36-50	51-60	60 +
-------	-------	-------	-------	------

3. Which income group do you belong?

400m - 800m	800m - 1,200m	1,200m -1,700m	1,700m - 2,200m	2,200m +
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4. How would you classify your occupation according to do following?

Labourer	Student	State	Private	Unemployed
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5. How would you classify your education?

Primary	Secondary	University	Postgraduate
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6. Where do you usually make your Internet shopping?

At home	At work	Elsewhere
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C. Site loading speed / user friendliness

7. Do you wait for sites that load slowly?

Never

Always

1	2	3	4	5
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8. How important the "user friendliness" of the site is for you?

Never

Always

1	2	3	4	5
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D. Familiar Brands

9. How much the existence of familiar brand names on a site affect your purchases?

None

Always

1	2	3	4	5
---	---	---	---	---

E. Clear return policy

10. Do you choose to shop at sites that have a clear return policy?

Never

Always

1	2	3	4	5
---	---	---	---	---

F. Convenience

11. How do you define convenience?

Cheap & Avaible	User friendly	Quick loading	Clear return policy	All
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2. Which age group do you belong?

18-25	26-35	36-50	51-60	61+
11	6	2	3	1

The 23 people that responded to the questionnaire were mostly from the 18-25 age group (47%), (11/23), followed by the 26-35 age group (26%), (6/23). Only one respondent fell into the age group of 61+.

The result was that the majority of the Internet shoppers in the sample were between the 18-35-age range and nearly half of the shoppers were from the 18-25 age group.

Q.3 Which income group do you belong?

400m-800m	800m-1,200m	1,200m-1,700m	1,700m-2,200m	2,200m+
2	13	4	1	3

The 56%, (13/23), of the people that responded to the questionnaire belonged to the 800m – 1,200m TL income bracket. The follower group was 1200 – 1700m TL bracket with 17%, (4/23).

The main finding was that more than half the respondents in the sample had a monthly income of above 800m TL.

Q.4 How would you classify your occupation according to the following?

Labourer	Student	State	Private	Unemployed
2	12	3	5	1

The 52% (12/23) of the respondents were identified as students and 22% (5/23) as working in the private sector.

The result was that nearly the 3 out of 4 people that respondent to the questionnaire were either students or people from the private sector businesses.

Q.5 How do you classify your education?

Primary	Secondary	University	Postgraduate
-	2	17	4

The 73% of the respondents classified their education as “university” and 22% as “post graduate”.

The result was that 95% of the Internet shoppers in the sample have received higher education.

Q.6 Where do you usually make your Internet shopping?

At Home	At Work	Elsewhere
17	5	1

The people that responded to the questionnaire said that they mostly make their Internet shopping at home (74%), (17/23), and at work (22%), (5/23). The other 4% used Internet Cafés for their on-line shopping.

The result was that a great majority of the people in the sample chose to do their shopping at home.

C. Site Loading Speed

Q.7 Do you wait for sites that load slowly?

Never				Always
1	2	3	4	5
12	7	3	-	1

Low Box	High Box	Mean	Standard Deviation	P Value
4	1	1.74	0.62	0.23

The 52% (12/23) of the respondents said that they never waited for the slow loading Internet sites. This was reflected in the high-box being identified as 1 and the low-box value as 4 on the never-always, 5-point Likert scale. The low standard deviation value of 0.62 reflected the consistency of the sample and results and the P value of 0.23 with a 96% confidence level.

The main finding is that more than half the Internet shoppers do not prefer slow loading sites.

Q.8 How important the “user friendliness” of the site is for you?

Never				Always
1	2	3	4	5
-	-	4	10	9

Low Box	High Box	Mean	Standard Deviation	P Value
1/2	4	4.21	0.69	0.25

The 83%, (10/23) + (9/23), of the respondents said that they usually preferred the “user friendly” Internet sites. This was reflected in the high-box being identified as 4, and the low-box value as 1/2 on the never-always, 5-point Likert scale. The low standard deviation value of 0.69 reflected the consistency of the sample and results and the P value of 0.25 with a 96% confidence level.

The main finding is that over 83%, (19/23), of the Internet shoppers do prefer user-friendly sites.

D. Familiar Brand Names

Q.9 How much does the existence of the familiar brand names on a site affect your purchases?

Never				Always
1	2	3	4	5
-	1	3	6	13

Low Box	High Box	Mean	Standard Deviation	P Value
1	5	4.34	0.57	0.21

The 57% (13/23) of the respondents said that they always preferred to see familiar brands on Internet sites. This was reflected in the high-box being identified as 5, and the low-box value as 1 on the never-always, 5-point Likert scale. The low standard deviation value of 0.57 reflected the consistency of the sample and results and the P value of 0.21 with a 96% confidence level.

The main finding is that more than half the Internet shoppers preferred sites that had familiar brand names.

E. Clear Return Policy

Q.10 Do you choose to shop at sites that have a clear return policy?

Never		Always		
1	2	3	4	5
-	-	2	10	11

Low Box	High Box	Mean	Standard Deviation	P Value
1-2	5	4.39	0.51	0.19

The 91%, (10/23) + (11/23), of the respondents said that they always chose the Internet sites that offered a clear return policy. This was reflected in the high-box being identified as 5, and

the low-box value as 1/2 on the never-always 5-point Likert scale. The low standard deviation value of 0.51 reflected the consistency of the sample and results and the P value of 0.19 with a 96% confidence level.

The main finding is that well over 90% of the Internet shoppers do prefer sites with clear return policies.

F. Convenience

Q.11 How do you define convenience?

Cheap & available	User Friendly	Quick Loading	Clear Return Policy	All
2	-	-	-	21

The respondents found all the defined attributes, cheap and available, user friendliness, the quick loading, and the clear return policy as convenient.

The main finding is that convenience is described as cheap and available, user friendly, quick loading, and as a clear return policy.

SECTION 5

CONCLUSIONS

The section presents the conclusions of the study in two parts; part 1, as conclusion on the questionnaire, and Part 2, as the conclusion on theory:

5.1 Part 1: Conclusion on Questionnaire results

5.1.2 Major findings

The following were the major findings obtained from the questionnaire as carried out for the purpose of this study:

1. The 25% of the sample said they used the Internet for shopping purposes.
2. The sexual composition of those interviewed was 70% men and 30% women.
3. The majority of the Internet shoppers in the sample were between the 18-35-age range and nearly half of the shoppers were from the 18-25 age group.
4. More than half the respondents in the sample had a monthly income of above 800m TL.
5. The 3 out of 4 people that responded to the questionnaire were either students or people from the private sector businesses.
6. The 95% of the Internet shoppers in the sample received higher education.

7. A great majority of the people in the sample chose to do their shopping at home.
8. More than half the Internet shoppers do not prefer slow loading sites.
9. Over 83% of the Internet shoppers do prefer user-friendly sites.
10. More than half the Internet shoppers preferred sites that had familiar brand names.
11. Over 90% of the Internet shoppers do prefer sites with clear return policies.
12. Convenience is described as cheap and available, user friendly, quick loading, and as a clear return policy.

The major findings of the study indicate two main pieces of information: The profile of Internet shoppers and the priority wants of the Internet shoppers that the suppliers need to watch carefully.

The profile of Internet shoppers could be described as mostly men, with middle-income backgrounds. They are mostly students with some workers from the private sector. The great majority of the Internet shoppers are highly educated people with access to the Internet facilities at home.

Suppliers need to prove convenient for the Internet shoppers. In practice this means a stock and a promotion of known brands. Customers should be offered competitive prices with clear return policies. Such policies are needed to compensate for the lack of the actual trial one could have when shopping in the real world. Above all the Internet sites used by the suppliers to exhibit their goods should be "user-friendly". This concept is

translated by the customers as easy, quicker download facilities and the degree of interactivity at the site.

5.2 Findings on theory

There are many theories that are used to determine the characteristics of the online customer buying behaviour. Some of these theories have great similarities on major forces such as the economic, technological, political, and cultural. However, at the same time there are distinct differences on the theories, because of the difficulties involved in measuring human behaviour.

There are many theoretical models offered to describe the buying behaviour of people on the Internet. Most of these are either explorative or descriptive in nature. Further studies are needed to work out and test hypotheses that sprang from these models.

5.3 Conclusion

Even in the US and Northern Europe, the Internet is only a recent part of most consumers lives – and its penetration is still much lower than traditional mass technologies (TV, radio, mail, telephone, automobile). In other countries, its penetration is even lower. Internet adoption and usage are still increasing among consumers and businesses, especially in countries with lower penetration today. As it approaches universal adoption

and usage, its role within marketing – especially international marketing – will continue to grow.

For instance, the Internet is steadily increasing its share of advertising in most countries and it will take time and contrary to some of the earlier hypothesis, this study indicated that the Internet does not change the fundamental principles of marketing.

APPENDIX

On-line Purchasing Behaviour – Questionnaire

A. Screening question

1. Do you shop on the Internet ?

Yes	No
-----	----

If yes, than may you please answer the following;

B. Demographic Questions

Man	Woman
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2. Which age group do you belong to?

18-25	26-35	36-50	51-60	60 +
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3. Which income group do you belong?

400m - 800m	800m - 1,200m	1,200m -1,700m	1,700m - 2,200m	2,200m +
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4. How would you classify your occupation according to do following?

Labourer	Student	State	Private	Unemployed
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5. How would you classify your education?

Primary	Secondary	University	Postgraduate
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6. Where do you usually make your Internet shopping?

At home	At work	Elsewhere
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C. Site loading speed / user friendliness

7. Do you wait for sites that load slowly?

Never

Always

1	2	3	4	5
---	---	---	---	---

8. How important the "user friendliness" of the site is for you?

Never

Always

1	2	3	4	5
---	---	---	---	---

D. Familiar Brands

9. How much the existence of familiar brand names on a site affect your purchases?

None

Always

1	2	3	4	5
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E. Clear return policy

10. Do you choose to shop at sites that have a clear return policy?

Never

Always

1	2	3	4	5
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F. Convenience

11. How do you define convenience?

Cheap & Avaible	User friendly	Quick loading	Clear return policy	All
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