

Full Length Research Paper

Online consumer buying behaviour amongst tertiary students in the greater Durban area

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Electronic commerce is fundamentally changing the way consumers shop and purchase goods and services. Consumers have learnt how to act in an ever-changing electronic market environment. For some consumers, shopping and buying online have become part of their lives, whereas others consider it, without taking any action yet. The aim of this paper is to assess and investigate the online consumer buying behaviour of tertiary students in the greater Durban area. With regard to attitudes and behaviours, the important factors influencing these are levels of education and experience with the internet, as well as environmental influences such as perceptions of peers and contemporaries. The decision making processes when shopping online, as well as customer satisfaction with the overall online shopping experience, are also notable factors when it comes to buying behaviour. This research was quantitative, cross-sectional, and descriptive in nature. A convenience sample of 400 students from the two resident universities in Durban was used. From the primary research conducted, it can be concluded that the majority of students currently do have internet access, although the activity of only a few is of a transactional nature.

Key words: online consumer buying behaviour, shopping online, internet.

INTRODUCTION

Electronic commerce has become one of the essential characteristics in the internet era. Clearly dependant on available technology, it has also been found that level of education is an especially powerful predictor of internet purchases (Burns et al., 2001). If the future of e-commerce lies with those who are tech-savvy and about to enter the job market, then it is highly relevant to the marketer to know how these people interact with the current technology and how they view the internet as a marketplace. This study has been conducted to assess current behaviour of students with regard to purchasing on the internet, as well as their attitudes towards future purchases when earning a salary.

There is a gap in knowledge of online purchasing behaviour among tertiary education students. This

research addresses the problem of education levels and their relation to online behaviour, as well as attitudes toward buying online, in respect to the earning potential of young professionals about to enter the job market. The objectives of this research study are:

1. To evaluate internet usage among tertiary students in the greater Durban area.
2. To assess online purchase behaviour of tertiary students in the greater Durban area.
3. To investigate attitudes of tertiary students in the greater Durban area toward purchasing over the internet.
4. To ascertain whether there is a link between levels of education and future likelihood to purchase over the internet.

Although trends would suggest that online shopping is on the increase, this is not always the case, as there are often high levels of apprehension with regard to safety and confidentiality. This study looks at budding young

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professionals, their levels of education, their earning potential, and how these factors tie in with formulating attitudes and behaviours within the realm of e-commerce, and specifically driving forces that affect their purchasing decisions.

LITERATURE REVIEW

The internet is having a more profound effect on business than any development since the Industrial revolution precisely because it's all about communication (Lord, 2000). According to Plessis et al. (2010), the internet is a communication tool that offers an array of opportunities to create a relationship and an experience for the customer. The global reach and interactive nature of this tool allows for interaction and creates a perception in consumers' minds.

As we move further into the information age, the nature of transactional business is changing at a never before seen rate. Organisations are under tremendous pressure to diversify their business and offer more technologically-driven purchase solutions to a market that is changing the way it buys. It has been noted by McKeown (2001) that the level of education of an e-customer is a highly valid indicator of likelihood to purchase over the internet. From a marketing perspective it is hence essential to understand the behaviour and attitudes not only of those that currently make purchases over the internet, but more importantly the segment of the market that will be in a position to be making electronic purchases in the future.

Online shopping attitudes and behaviour

There are many cited factors which influence online shopping attitudes and behaviours, but the most important are personal characteristics and environmental influences. The relationship among demographics, personal characteristics, and attitudes toward online shopping have been examined, and found that people who have a more "wired" lifestyle and who are more time-constrained tend to purchase online most frequently (Bellman et al., 1999). This intimates that people who have greater access to technology, and live the fast-paced lives that their professions demand of them, are the ones that are more likely to be purchasing often electronically. If the external environment is to be examined, factors that will influence the consumer are the legal framework which protects the online consumer from electronic fraud, and the number of online vendors available (Mohamed et al., 2003).

Consumers are worried about the safety of their banking and personal information, and are often wary to purchase online because of this. However, the large number of vendors leads to the consumer being able to make a more calculated decision regarding their purchase when it comes to price and delivery (Andrade,

2000). Li and Zhang (2002) indicate that demographics appear to play an important role in determining whether consumers purchase over the internet, and surveys conducted would suggest that the online purchasing population is relatively younger and more educated. Personal characteristics, in this particular context, can be defined as a group of specific customer features that may influence their attitudes and behaviours with regard to shopping over the internet, such as their salient knowledge of internet functions, how specific their need is, and their own particular cultural environment.

Often customers are prevented from shopping online by irrational fears, but their perceived risk can be reduced by knowledge, skill, and experience (Clarke et al., 2007). As well, consumers that regularly use the internet as a tool to communicate, to do their work, to read the news, or to search for information, are the ones that are more likely to purchase over the internet, as their routine use of the medium leads to familiarity, allowing them to see the internet as a natural convenient shopping channel.

Online shopping decision making

Consumers are generally expressing increasing willingness to purchase over the internet, with the consumers' intent to shop online being positively associated with their attitudes toward the internet as a whole (Whyte, 2001). Online shopping decision making includes information seeking, comparison of alternative, and making a purchase choice or decision. Consumers screen a large set of products in order to identify a subset of worthy alternatives, then evaluate these alternatives and perform comparisons based on particular product attributes that are of importance, and then make an informed purchase decision (Haubl and Trifts, 2000). It was also discovered that consumers often used the interactive tools designed to assist in screening alternatives. The most substantial step is when consumers actually place the order and arrange for payment, as this is often where the most hesitation is shown. Perceived risk in the context of the transaction is a factor that brings about the most anxiety when it comes to making the purchase (Bhatnager et al., 2000), and can mean the difference between an actual purchase and what, up to that point, was just a search and evaluation of alternatives. Peter and Olson (2010), evaluate electronic commerce from the consumers' point of view as shown in Table 1. They clearly illustrate the advantages and disadvantages of electronic commerce. These advantages and disadvantages will be taken into account in the consumer decision making process when engaging in online purchasing.

Customer satisfaction

According to Brink and Berndt (2008), a marketer who adopts the marketing concept sees customer satisfaction as the path to profits.

Table 1. An evaluation of electronic commerce.

Advantage	Disadvantage
Product	
Increased product and brand selection	Uncertainty about quality of some products and brands
Increased product and brand availability	Inability to experience product before purchase
Promotion	
Increased information about products and brands from manufacturers and dealers	Information overload from too much readily available data or unwanted online ads
Increased information about products and brands from independent agencies	Time and effort costs to access information
Price	
Increased opportunity to get lower prices for many products and brands	Shipping costs and costs of returning unacceptable merchandise may increase price
Increased cost and price information for many products and brands	Credit card and other personal information perceived to be at risk
	Difficult to pay with cash or check
Channel	
Increased dealer selection	Time cost in waiting for delivery
Convenience of shopping from home or office	Hassles in returning unacceptable merchandise

Source: Peter and Olson (2010).

To ensure survival and success, organisations therefore have to satisfy their customers. Customer satisfaction is the customer's feeling that a product has met or exceeded his/her expectations. Customer satisfaction is defined as the extent to which consumer perceptions of the online shopping experience confirm their expectations.

Many consumers form expectations of the product as well as the actual online vendor before they engage in online shopping activities, as indicated by Lord (2000). Therefore, these expectations influence their attitudes and intentions to purchase online. If these expectations are met and/or exceeded, customers achieve a high level of satisfaction and this will in turn influence their future online shopping attitudes and decisions.

The way consumers see the internet as a medium of business and transactions is changing. With regard to attitudes and behaviours, the important factors influencing these are levels of education and experience with the internet, as well as environmental influences such as perceptions of peers and contemporaries. Consumers are also wary when it comes to the perceived safety of their personal and banking information, although the younger and more informed segment of the market, which is increasing, sees this as less of a threat. The decision making processes when shopping online, as well as customer satisfaction with the overall online shopping experience, are also notable factors when it comes to buying behaviour, as they both influence the way the internet is seen as a transactional medium.

RESEARCH METHODOLOGY

This research study involved investigating the relationship between levels of education and the propensity to purchase over the internet, and looks specifically at tertiary students in the greater Durban area. The research was quantitative, cross-sectional, and descriptive. A convenience sample of 400 students from the population, across all campuses of the two resident universities in the greater Durban area, namely University of Kwa-Zulu Natal and Durban University of Technology. Each respondent has been measured on three variables, namely internet usage, online purchase behaviour, and attitudes toward making online purchases. The results are analysed and presented in numerical and graphical form.

ANALYSIS AND PRESENTATION OF RESULTS

The results of the two demographic variables are indicated in the forgoing followed by the rest of the results.

Computer ownership with internet access

Of the 400 respondents, 77% owned a computer with internet access and 23% did not as illustrated in Figure 1.

Years left to complete qualification

Respondents were asked how many years they had left to study, as an indicator of how long until they start earning a salary and start consuming goods and

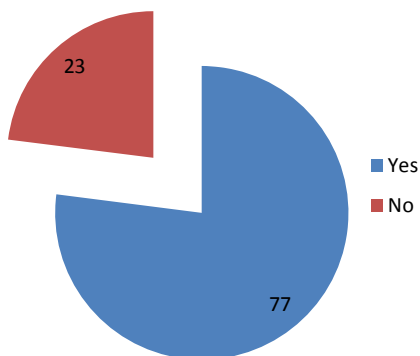


Figure 1. Computer ownership with internet access.

Table 2. Years left to complete qualification.

Year	N	%
0 - 1	108	27
1 - 2	120	30
2 - 3	92	23
3 - 4	80	20
Total	400	100

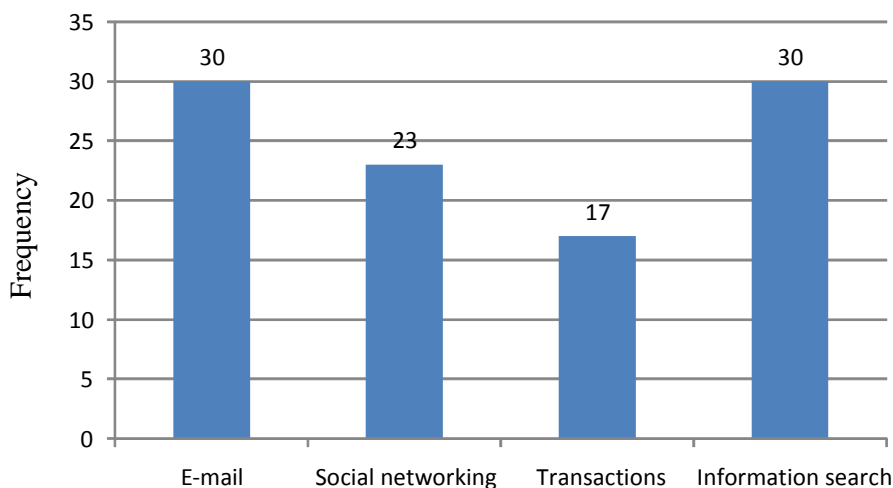


Figure 2. Most frequently used internet function.

services, as presented in Table 2.

Most frequently used internet function

This question asked respondents to indicate which internet functions was most frequently used. Of the sample, 17% used the internet most frequently to make online purchases, 23% for social networking; while 30%

each of the samples used the internet most frequently for e-mail, and to search for information as indicated in Figure 2.

Intention to purchase over the internet

As indicated in Figure 3, just over half (53%) intended to make purchases over the internet in the future.

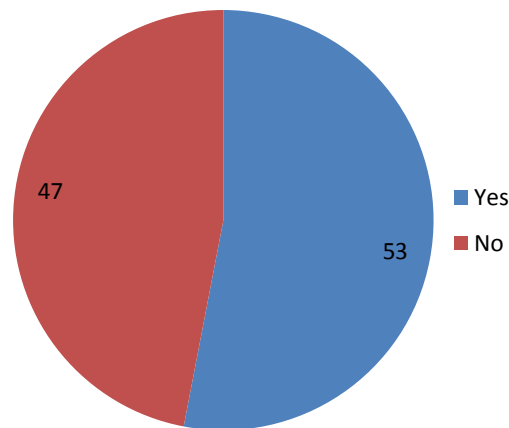


Figure 3. Intention to purchase over the internet.

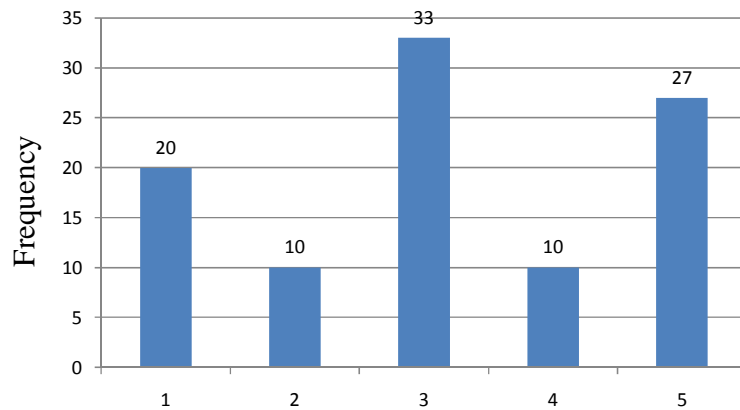


Figure 4. Willingness to purchase over the internet.

Willingness to purchase over the internet

In this question, respondents were asked to indicate their willingness to purchase over the internet in the future, on a scale of 1 to 5, with 1 being the most willing, and 5 being the least willing. Of the 400 respondents, a third were moderately willing to make online purchases in the future, with the remainder being almost split between most willing, and least willing. The results are presented in Figure 4.

Amount of desired salary willing to be spent on online purchases

Respondents were asked to show how much of their desired salary they intended to spend monthly on purchases over the internet, as illustrated in Figure 5.

Preventative factors

Respondents were asked to choose which factors held

them back the most from making a purchase online. Of the 400 respondents, 28 (7%) cited lack of technological know-how, 52 (13%) indicated that time spent searching for alternative products made them wary, 68 (17%) showed that online prices were not competitive enough, while a considerable 252 (63%) respondents feared for the safety of their personal information. The results are presented in Figure 6.

Most frequent intended online purchase

Table 3 presents the results of the question in the survey, where respondents were asked to choose which type of product/purchase they intend to make the most frequently online.

Product offering

Respondents were asked, using the Likert scale, to adopt a position regarding online stores offering the products they want. The results are illustrated in Figure 7.

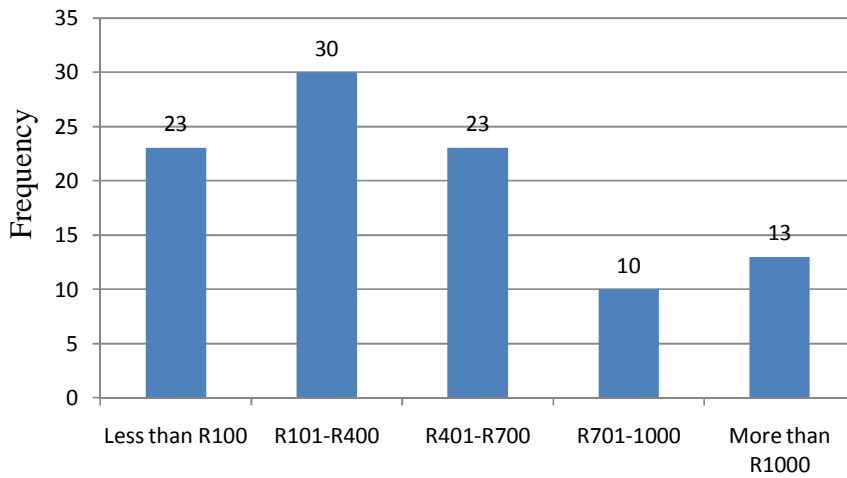


Figure 5. Amount willing to be spent monthly online.

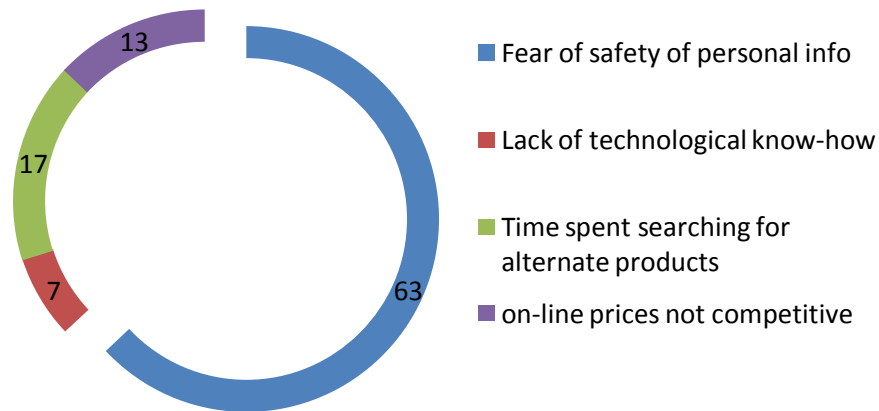


Figure 6. Preventative factors.

Table 3. Most frequent intended online purchase.

Item	N	%
Groceries	40	10
Clothing	160	40
CD's/books	132	33
Jewellery	40	10
Cosmetics	28	7
Total	400	100

Safety

Respondents were asked whether they felt that the internet was a safe place to shop. 80 (20%) of the respondents were unsure, 28 (7%) strongly disagreed with the statement, 92 (23%) disagreed, while 132 (33%) of the respondents agreed, and 68 (17%) strongly

agreed. The results are presented in Figure 8.

Ease of search for alternatives

Respondents were asked to adopt a position regarding the statement that the internet makes searching for

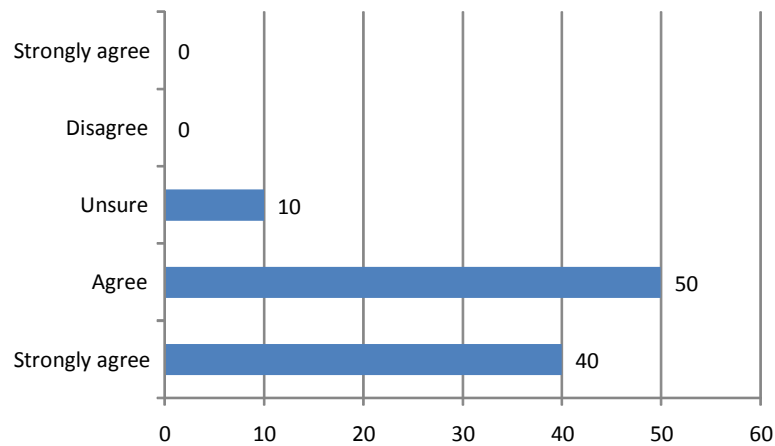


Figure 7. Product offering.

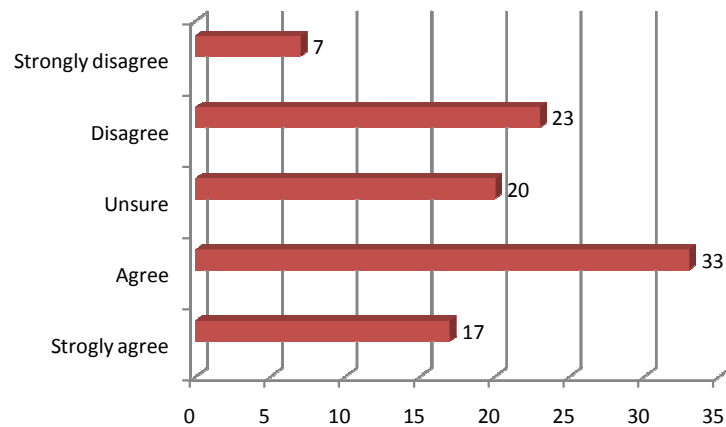


Figure 8. Safety.

alternatives easy. It is worthy of noting that while a tenth of the sample were unsure, none felt that this was not the case, as shown in Figure 9.

Convenience

Respondents were asked to indicate how they felt regarding convenience of shopping online. While 20% of the sample was unsure, none strongly disagreed, while only 13% disagreed with the statement. Further, 40% agreed that the online shopping is convenient, with 27% strongly agreeing that they found online shopping convenient, as represented in Figure 10.

Conclusions

From the primary research conducted using surveys administered to students at the various campuses of the two universities in Durban, it can be concluded that a

majority currently do have internet access, although the activity of only a few is of a transactional nature. Most of the respondents will enter the working environment, and become paying consumers of goods and services, within the next two years.

Many intend to purchase over the internet, but willingness to do so is not conclusive. A few of the respondents will purchase groceries online, with many intending to buy leisure-related items over the internet, while a large percentage of respondents do not intend on spending relatively very much online.

While it is worth noting that the majority of students fear for safety of personal information when shopping over the internet, attitudes toward convenience product offerings are favourable.

RECOMMENDATIONS

Based on the findings, the following recommendations

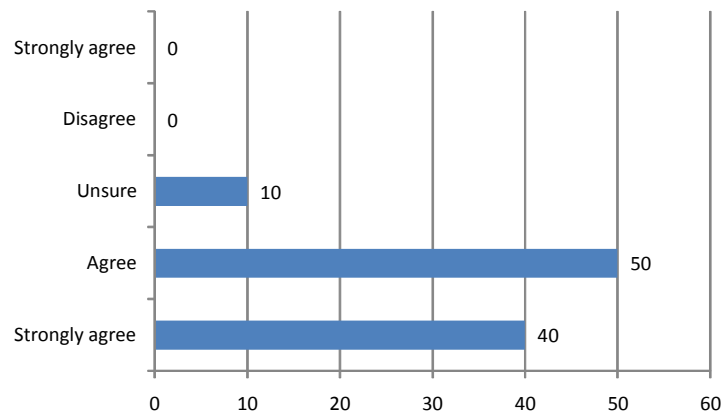


Figure 9. Ease of search.

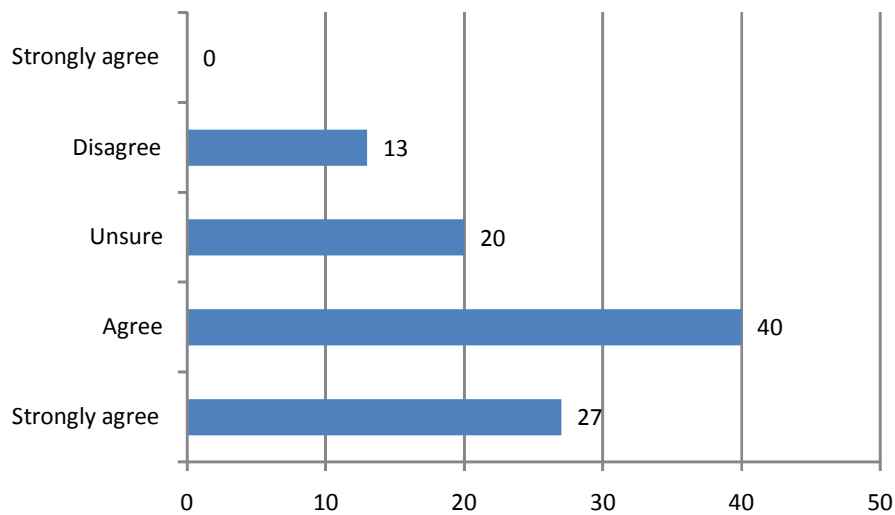


Figure 10. Convenience.

are made:

1. Marketers need to make themselves aware of consumer education levels and their correlative relationship to likelihood to purchase online, especially since the online purchasing community is becoming younger.
2. Prospective online consumers need to be made aware that shopping on the internet need not be dangerous, and that the perception of information being unsafe is merely speculative and unwarranted.
3. More consumers are willing to purchase product electronically that is leisure and entertainment related, thus marketers in these industries need to capitalise by allowing a greater product offering online.
4. Online shopping needs to be made more convenient, especially when it comes to time taken for a consumer to search for alternative products and methods of payment.

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