Determinants To Consumer's Shopping Preferences

Jason M. Matyus
Hampden-Sydney College

Braxton T. Mergenthal
Hampden-Sydney College

Zachary Gonzalez
Hampden-Sydney College

Teddy Bilodeau
Hampden-Sydney College

How people prefer to shop is an ever-changing landscape. There has been a boom in online shopping since the first online shopping purchase in 1994. With the end of the pandemic, retailers and other businesses need to know whether this increase will continue. Online shopping preferences: safety, technology, branding, and customer experience were explored to determine the current determinants of shopping preferences. A phenomenological design was used to examine the lived experiences of six shoppers who represent the most popular demographic of online shoppers. This study presents a clearer understanding of what business marketers need to understand about the online shopping decisions of shoppers.

Determinants of Shopping Experience

Since the inception of the first online purchase in 1994, the internet has exploded with online shopping (Chua, 2006). Online shopping is developing into mainstream commerce, accelerated by the Covid-19 pandemic. With over 3 billion people now on the Internet, online shopping is becoming the new way to shop (Naseri, 2021). In the early years of online commerce, there were emerging themes determining why consumers chose online shopping instead of traditional brick-and-mortar. As online shopping has progressed, the number of variables determining how customers choose to shop has stayed constant.

Millennials make up a third of online purchases using laptops and mobile devices and a large portion of online shoppers in general (Ho, 2022). Despite some consistencies in online shopping preferences, the evolving areas of emphasis for online shoppers include technology, security, customer experience, and branding (Park & Kim, 2003). The research is broad about online shopping; however, researchers are attempting to understand the characteristics of online shoppers (Naseri, 2021).

Because online shopping is extensive, researchers typically divide it into two categories consumers and business. Svatosova (2020) notes that previous studies have primarily focused on examining the determinants of online shopping and their impact on business, rather than investigating customers' decisions to shop online. As online shopping continues to grow, retailers will want to know what determinants influence consumers. This paper focuses on exploring four evolving areas: technology, security, customer experience, and branding. Specifically, it examines how these four factors determine consumers choices to shop online.

Technology

Technology has shrunk the world and has brought goods and services to consumers without requiring them to leave their homes. Researchers have developed eight theory models that explain how new technology is introduced to users and how these users accept it (Haryanti, & Subriadi, 2020). The most prevalent theory model is the Technology Acceptance Model (TAM). Researchers widely use it because of the model’s ability to determine key indicators in human behavior when introducing new technology to consumers (Marangunić & Granić, 2015). While other theory models encompass a wide range of factors, this research focused on information that utilized the TAM model due to its emphasis on the factor of human behavior.

While technology represents only one factor influencing the consumer’s decision to shop online, several facets of technology drive consumers to do so. As online shopping continues to expand, it is important to understand which factors determine the use of technology. Many consumers choose to use technology because they find websites and other technologies easy to navigate. If consumers cannot easily navigate a website, it can discourage them from shopping online (Li & Huang, 2009). For example, consumers in the retail clothing section are motivated by the use of VTO (Virtual Try-On) technology. However, consumers using VTO technology may have an adverse reaction to shopping online when they perceive a
risk associated with using unfamiliar technology (Zhang, Wang, Cao, & Wang, 2019). Retailers using technology to drive purchases face a risk and reward outcome.

While technology is prevalent in everyday life, there is evidence that adults under 40 are more likely to use it (Mariano, Marques, Ramos, & de Vries, 2021). There is little information on why consumers choose between online and traditional brick-and-mortar but there are certain characteristics that do lend themselves to online shopping across all age groups (Swinyard & Smith, 2003). Consumers have shown that the use of technology in e-commerce determines their choices, allowing them to use technology to aid in the online buying process.

Technology comes in multiple forms as it relates to online shopping, and with technology comes many benefits and risks for shoppers. In the early 2010s, there was an increase in shopping app usage that made retailers shift their attention to a more omnichannel approach to their traditional business model. Consumers over 40 use online shopping more frequently, but the age range of consumers using technology to shop is broad, and retailers face a challenge in distinguishing whether app usage complements their business or acts as a hindrance to those consumers who may not feel comfortable using it (Bauerová, 2019; Newman, Watcher, & White, 2018).

Besides the use of technology by retailers and consumers as a tool for shopping, there is a behavioral factor that technology plays with consumers. The ease of use by online consumers has resulted in the unintended consequence of increased social interaction. When consumers found the ease of use and web design straightforward to navigate, they were more likely to shop online, especially if they preferred to avoid social interaction (López-Bonilla, Sanz-Altamira, & López-Bonilla, 2021). A less common factor but one that is vital to customer use of online shopping platforms is information on their retail sites. Retailers need to have accurate information on their sites. Product reviews and other data content are influencers on whether a consumer will buy a product from your website (Pascucci et al., 2022). Consumers using online shopping are influenced by various levels of technology.

Security

While technology plays an important role in determining whether consumers shop online or not, consumers also consider the security component of technology when making this decision. In the early 2000s, Udo (2001) conducted a study of online users to identify hindrances to their internet use, particularly in online shopping. Udo found consumers’ greatest concern was online security. In Udo’s survey, consumers experienced enough security concerns, leading to only 14.4% of the participants surveyed feeling safe about providing personal information online. Since Udo’s study, technology has developed, and the number of users has increased. As technology developed and online use became more prevalent the safety concerns continued to be at the forefront of consumers.

The key areas of safety include information security, product security, and overall financial risk (Masoud, 2013). Consumers define online safety differently. However, Issues such as network security, online transactions, password theft, and credit card theft contribute to general safety concerns (Jamra et al., 2020). Consumers’ intentions to shop online are greatly influenced by their perception of safety (Qalati et al., 2021). While safety is the prevailing concern for consumers, there is no real determination to prioritize presumed risks associated with online shopping. Technology constantly evolves, and consumers worry that technology may not adequately protect their private information. This information can encompass personal details, credit card information, or general data (Nayak, & Roy, 2022). Consumers want assurance of their safety when shopping online. Not only does the influence of shopping online exist, but there is also a perceived safety risk. However, the lack of confidence in safety and security can dissuade a consumer from shopping online, even if they initially intended to do so (Rungsrisawat, Joemsitiprasert, & Jermisitiparsert, 2019).

The worldwide pandemic in 2020-2021 prompted consumers to increase their use of online shopping, with even those who had not previously used online shopping platforms starting to do so. The increase in online shopping placed greater demands on retailers to provide digital product details (Beyari, 2021). Digital details encompass a wide range of product information, but it is important to understand the emphasis different cultures place on this information in a global marketplace. For example, Liao, Proctor, and Salvendy (2009) conducted a study on the differences in e-commerce expectations between United States and Chinese consumers. The authors reported in their study that United States consumers preferred information related to product safety, while Chinese consumers preferred retailer information. Retailers need to understand who their target consumers are and how they can be accommodated.

Customer Experience

Retailers and consumers alike consider customer experience essential. Whether consumers will shop online or not depends on how they perceive risk and their overall experience (Jarvenpaa & Todd, 1996). Technology is making the world smaller and constant competition drives retailers to secure repeat business. The customer experience is universally accepted. A relationship always exists between customer experience and customer satisfaction, resulting in customer retention. Brady and Robertson (2001) sought to expand their research on the relationship between service quality and customer satisfaction to investigate potential cultural differences that might influence the choice of a specific retailer. The research aimed to determine whether culture played a role in the outcome of customer experience and customer satisfaction among consumers in the United States and Ecuador. The results of their study indicated that customer experience significantly influenced a customer’s desire to shop with a re-
Retailers and shoppers can greatly benefit from understanding the shopper's experience. Women, through social networks, tend to exert greater influence in choosing retail shopping locations in both brick-and-mortar and online settings (Pei et al., 2020). In the online market, retailers face the challenge of being unable to communicate effectively. For example, when shopping online, customers perceive value in online shopping when it is easy to use. Due to their inability to discuss questions or problems with their shopping experience face-to-face (Wibowo et al., 2020). Online shopping has as many contributors to customer satisfaction as traditional shopping does. What distinguishes online shopping from traditional brick-and-mortar shopping is the customer's use of technology. Customers perceive value in online shopping when it is easy to use. Technology plays a crucial role in the customer experience because customers must trust the technology they are using (Frederick, 2022). Technology also encompasses how customers use the retailer's website. If customers can navigate freely and understand their actions during their shopping process, they are more likely to continue shopping with the online retailer (Tarhini, 2021). The customer experience is indicative of whether customers will return to shop either using traditional channels such as brick-and-mortar or online.

Understanding the customer's needs can play a role in the customer experience. One area of customer experience is the last mile of delivery in the process. The terminology refers to a retailer being able to deliver the full buying experience to the customer. The experience includes the website and the purchase of goods as well as the delivery of the goods to the customer (Vakulenko et al., 2019). The last mile of delivery refers to several steps in the delivery of the goods. Kemppainen and Frank (2019) did a study examining the components of the after-sale customer experience and found the use of contractors in the buying process, communication between the customer and retailer, and aggressive advertising to play a role in the customer experience.

**Branding**

Retail businesses have always desired to attract and retain customers. With the introduction of the Internet and social media platforms, the competition has intensified. Evidence shows that social media significantly contributes to raising awareness of branding for businesses and products (Hong-Youl, 2004; Tsimonis & Dimitriadis, 2014). Social media serves as a communication bridge that enables customers to share their shopping experiences and contributes to the overall shopping experience (Assael, 2001). Since the inception of social media platforms, people have desired to understand the significance of social media. Fanion (2011) conducted a study on the effects of social media communication on consumers and discovered that social media plays a significant role in brand awareness. The influence of social media on consumer behavior both online and in traditional brick-and-mortar settings holds importance in retaining those customers. Retailers aim to capitalize on its popularity, and businesses view social media as a cost-effective means to reach a large audience compared to traditional advertising channels (Kim & Ko, 2010).

How businesses advertise matters because it enhances a buyer's willingness to return to their store when they can capture buyers. Businesses that use online or omnichannel distribution to attract buyers depend on repeat customers to build brand equity. Brand equity raises awareness of products, enhancing the overall shopping experience for buyers (Sriram, Balachander, & Kalwani, 2007). As online shopping gained popularity and retailers recognized the necessity to establish electronic brands, they shifted their focus toward enhancing the shopping experience. Park et al. (2008) contributed to branding research by demonstrating, for the first time, the relationship between shoppers' engagement in the virtual world (online) and the creation of branding through repeat customers.

Branding takes various forms, and with the changing online landscape encompassing different age groups and demographics of shoppers, finding the right combination can be challenging. When businesses use online means to attract customers, they must actively and carefully manage unwanted attention. Electronic word of mouth (eWOM) can propagate unwanted attention to a brand or product in online chat rooms. When communication takes a negative turn in online chats, retailers can respond with quick and direct messaging to counteract negative eWOM (Herhausen et al., 2019). There exists a positive aspect to eWOM and communication between users and retailers. If retailers deliver a positive experience to online users, those users' positive experiences can transform into a positive brand community. The brand community can further bolster a brand and help counter negative comments by addressing and clarifying them (Chen & Lin, 2019). It is important not to avoid eWOM or rely on it exclusively but to ensure that the correct messaging is delivered.

Research on the impact of social media continues to evolve and develop in response to changing social norms. However, branding still depends on customers' perceptions of a brand and its products (Lee, Park, & Han, 2008). Many options for communicating brand awareness are now available. These channels can encompass chat rooms, product reviews, or one-on-one communication. Businesses still view social media as an effective means to increase awareness of brand communication and brand identity (So et al., 2017). Businesses must continue to identify and utilize the channels that create and support branding.

**Study Design**

The phenomenological approach explored how participants lived their experiences. The phenomenological design is used to gain an in-depth understanding of factors
shoppers consider when determining where to shop. It is through their words their true experience is revealed (Creswell, 2009). The researchers obtained the IRB approval and participants signed informed consent forms to participate. All participants volunteered to participate and were assured confidentiality and anonymity in the process. Each participant received a pseudonym to protect their identity, and the pseudonym was used throughout the process. Two different copies of the interview were kept. An audio recording of the interviews and transcribed copies of the interviews were kept and stored.

**Participants and Procedures**

The sample size consisted of 6 female participants between the ages of 18 and 31. The sample group of participants was selected because the research shows that millennial women ages 18 to 31 were the most likely to shop either online or in brick-and-mortar stores (Menezes, 2020; Ladhari, Gonthier, & Lajante, 2019). Participants were chosen randomly through acquaintances but not related directly to the interviewer. Participants were met in public areas with privacy to conduct the interviews. After each interview and after completing the transcriptions, participants were offered an opportunity to read the transcripts. Participants were also allowed to change their responses or withdraw from the study at any time.

**Semi Structured Interviews**

The goal of the study was to gain the lived experience of the participant’s process in determinants to shopping preferences. The literature on determinants produced four areas that research data showed shoppers used when deciding whether to shop online or in brick-and-mortar stores. The areas comprised security, technology, branding, and customer experience. The semi-structured open-ended interview questions were conducted with the participants to allow them to talk about their experiences and determine if their determinants varied from the four established areas.

Each participant was given interview questions ahead of the interview to give the participants time to review. The interviews were scheduled at a convenient time for the interviewees. At the beginning of each interview, the interviewees were encouraged to ask questions, clarify their responses, and take as much time as needed to answer the questions. Sample questions included: How do you feel you obtained the best shopping experience? How does product branding play a role in your decision on where to shop? Depending on how the participants answered, in-depth follow-up questions were asked.

**Data Analysis**

The researchers applied thematic coding to analyze the transcribed data from the interviews. In qualitative research thematic coding is widely used with the researcher playing a critical role in the analysis (Boyatzis, 1998). Information was organized into word clusters, and themed as topics emerged from the data (Da Mota-Pedrosa, Näslund, & Jasmund, 2012). Braun and Clarke (2006) proposed six steps in analyzing qualitative data. The steps include (1) familiarizing with the data; (2) generating initial codes; (3) searching for themes; (4) reviewing themes; (5) defining and naming themes; (6) producing the report. The interviewers performed the analysis for this study, and they followed this general format. Thematic coding is not associated with any other framework and can stand alone or be used with other qualitative approaches (Braun & Clarke, 2006). While the researchers used traditional methods, they wanted to go farther than Braun and Clarke and go into deeper layers of the analysis.

The use of open coding in grounded theory is a way of offering more validity and deeper layers in qualitative research. Corbin and Strauss (2007) suggest using open ended questions without guiding the participants to a particular theme or subject matter. The goal in open coding is to read all the transcripts without predetermined topics and create footnotes, word clusters and themes.

Creswell (2009) suggests following a six-step process as mentioned by Corbin and Strauss (2007) but extracting data from a specific view to a more general overview. The goal of approaching the data in this way is to ensure both general and specific data are used together. This process mitigates any bias when reviewing the data. The six-step method developed by Creswell (2009) was used for coding and analysis as it pertains specifically to this study (1) interviews were transcribed, and data was grouped by the researchers as they related to the participants in the study; (2) In the second step the researchers reviewed the data to get a general sense of the overall meaning of the data. It was through this process that notes were added to the margins of the transcripts to give general thoughts on the organization of the data; (3) The researchers made a list of all topics and added headings to columns to fit data in an organized column. The names of the columns were determined by how they related to the participants’ shopping experience; (4) The analysis a deeper understanding of what participants meant by their answers were ascertained by identifying actions words. If participants used an action more than twice in their interview those clusters were grouped together. It was important in this step to ensure the coders created a uniform naming procedure; (5) The researchers ensured they were descriptive by creating themes from the coded columns; (6) Comparative analysis was done to see if the participants responses represented literature from prior research.

Once the process of identifying the codes by one of the researchers, the other researchers began looking for themes. Prior research on the determinants of shopping methods revealed four themes that support decision-making in shopping preference. The four themes included security, technology, customer experience, and branding. The use of theming data was intended to solicit structure to the interviews that would support current themes in the literature or identify new themes on determinants. If
themes emerged from this study that did not support themes from the existing literature, they would be added and compared to prior research.

Each coder was given transcripts from individual interviews to code and theme the transcripts. To bring validity to the process all transcripts were reviewed by a different coder to ensure there was a consensus among all the coders in identifying the codes and themes (Barusch, Gringeri, & George, 2011). Direct quotes were used to show a link between the interview and the theme. Finally, all slang that was culturally unnecessary and did not represent a word was removed for the accuracy of the direct quote. Such pronunciations as “hmm” and “um” or any incomplete word were removed from brevity.

Branding

Branding is an important factor in shopping regardless of whether it is online or brick-and-mortar. The majority of participants, five out of six integrated branding in some form of their answer across all interview questions when discussing a determinant for deciding how to shop. There is an important trust element associated with choosing what product to buy and where. The importance of branding was supported in the comments of some of the participants. Just as prior research has shown communication to be an integral part of branding, the direction of the communication is important. The research in this study showed the importance of eWOM and the participants supported its use. Shoppers in the past have used merchandise branding as a reason to shop in person and while there is a desire by shoppers to shop in person for their brands, they are becoming more trustworthy to buy brand name merchandise online. The reason there is trust building for shoppers to purchase online is better communication about products.

A form of communication, deliberate or inadvertent, that companies are using is the use of algorithms to put in front of consumers the things they most desire. While it is not a traditional form of communication it is becoming widely used and effective. For comments by Participant 1 on communication and branding please see Appendix A. The trust consumers have in their brands has afforded them the security of shopping for them online. The transfer of brand trust from traditional brick-and-mortar can be seen in our participants. There is a desire to know what they are buying. For comments from Participant 5 about branding please see Appendix B.

Safety and Security

The literature regarding safety and security showed there was a predominant fear of having a consumer’s identification stolen or having credit card information taken and used. Our participants had mixed responses to the safety of online versus brick-and-mortar shopping. The participants in this study showed a tendency to feel less safe shopping in person than they did online. This response by the participants in this study is reflective of how they feel about physical violence compared to passive violence such as card and identity theft. Overall, more participants tended to feel safer online.

A common concern among the interviewees focused on the dangers of online shopping with credit card scammers and bad websites. The literature on the topic of technology and shopping was prevalent in both online and traditional brick-and-mortar. Even customers who consistently shopped in person used technology for ads and coupons. Yet for some, technology use proved to be a concern to use for shopping.

Throughout the interviews with the participants, there was a general acknowledgment that there were certain situations where shopping in a traditional setting took precedence. The customer experience can be felt with online shopping and in-person. The answers by participants suggested that even those shoppers who preferred to shop online had certain situations that gave preference to brick-and-mortar. For example, getting help from store employees was a factor stressed by many of the participants.

Other factors besides stores help influence in-person shopping. For many shoppers, a day out with family or friends is the experience. For many of the participants, it was as much about the experience as it was about buying something. The participants viewed shopping with other people such as friends and family more as an experience than an aid in picking out clothes or other merchandise. Shopping in groups played less of a safety role and more of a social role.

Technology

The interviews conducted revealed a common theme about what influenced the participants' online shopping habits. Specifically, Four out of six participants cited pop-up ads, targeted ads, and/or coupons as a heavy influence on their online shopping activities. Whether these three factors were experienced by the participants through a self-installed program, or through social media, three out of six of the participants enjoyed them, but it did make one (participant 4) question the integrity of the website being used.

Other than participant four who cited hesitancy, participants three, five, and six all enjoyed targeted ads, pop-up ads, and coupons. Each stated marketing technology had made their online experience easier in some form or another. These forms can be characterized as seeing an item they may have not discovered otherwise, saving money, and ease of use.

As advertising applications through technology become increasingly more precise shoppers are taking notice of the targeted ads. Participants five and six cited instances when they felt more inclined to buy an item online directly because of targeted-ads, or when targeted-ads assisted them in shopping for items in the future.

What is unique about technology as it relates to the participants of this study was the application of the technology. Instead of a tool to do the shopping it was used to find discounts, items, and reviews about items the shoppers wanted to buy. Nearly all the participants said they have used VTO or technology that is like VTO to try on clothes virtually and to see what clothes would look like on them before buying them.
Conclusion

The current study examined if the determinants for online shopping found in prior literature were supported by shoppers considered influential in shopping. The four areas from prior literature that emerged were technology, security, customer experience, and branding. A phenomenological design was used to ascertain the in-depth experience of people who shop to determine through extensive interviewing whether their experience aligns with current research or if there are new possibilities to explore. The purpose was for a group of participants representing influential shoppers to gather their lived experiences. The results of the interviews revealed areas consistent with branding, technology, safety and security, and customer experience. The six participants under the age of 31 revealed that while many of the topics in the current research can be supported there is still a strong preference to shop in person. All six participants shop online in some form but when it came to matters of customer service and brand awareness they preferred traditional brick-and-mortar stores.

Two areas that emerged separately from the prior research dealt with safety and technology. The literature on the topic of shopping safety showed that shoppers feared identity theft and credit card theft, the opposite was true concerning participants in this study for traditional brick-and-mortar shopping. Four out of the six participants revealed when safety was a consideration they felt safer shopping online versus brick-and-mortar. The other factor that differed from prior literature on the emerging themes was technology. In prior studies on technology and online shopping, the technology focus was on the use of computers and internet access. Participants in this study showed technology as tool used in the shopping experience. The mechanism used also included phones and not just computers. Technology has always been a part of online shopping but what is changing is how shoppers use the technology. For example, shoppers are using technology to get coupons, find deals, and see reviews on products before buying them. While technology can be viewed as a function of online shopping, five out of six participants preferred to use technology in some form to get better deals on items. The themes related to shopping determinants in prior research were supported by our participants except safety and technology. Based on the participants in this study, shoppers prefer a more omnichannel approach to their shopping experience.

The results of this study can help businesses organize and focus resources in areas supported by shoppers. While shopping behavior is constantly changing it is imperative that business leadership stay current on what shoppers prefer in a method of shopping. The information in this study can help businesses change their current models to best adapt to the shopping needs of customers. While it is impossible to understand what the next trend with consumers will be, online shopping is continuously advancing and developing.

Limitations/Future Research

The structure of this study has potential limitations. Females between the ages of 18-31 were chosen because they are the most influential group, which left out other demographics such as males and females of all ages. There were only six participants chosen for this study. The purpose of a phenomenological design is to saturate the participants with questions on specific topics with lengthy follow-up questions. As a result of using a limited number of participants, the sample size is small. Another limitation of this study was not defining the shopping experience. The internet has made the world small and as a result, the participants defined their own shopping experience.

For future research, demographics can be expanded to ensure other groups are included to gain a better understanding of other unrepresented groups. The information from this study and future research can be used by online and brick-and-mortar businesses to determine marketing strategies. Finally, as technology develops, and more users become aware of online shopping, their experiences can contribute to improving the customer experience.

References


Qalati, S. A., Vela, E. G., Li, W., Dakh, S. A., Hong Thuy, T. T., Merani, S. H. (2021). Effects of perceived service quality, website quality, and reputation on purchase intention: the mediating and moderating roles of trust and perceived risk in...


Appendix A

Participant 3 Discussion on Branding Through Advertising

Participant 3 added a dress was ordered from a website that like kept showing up on my Tik Tok and my Facebook account and my Instagram umm like over and over again and I’m going to study abroad this summer, so I figured I’d give it a try and I tried it on, looked at the ratings, and everything and I actually really like it, so they definitely influenced me through that experience.

Appendix B

Participant 5 Discussion on Branding Through Advertising

Participant 5 stated she is a big Lululemon girl. I’ve been for a while. So that’s one of the stores where I mean when I’m at school, the closest one is 45 minutes away. So I’ve shopped there online and I know it’ll come within a week which is nice. So I know I can trust them online more in person. So definitely, Lululemon. Abercrombie is another big brand. um Lululemon Abercrombie, sometimes like pacsun, Urban Outfitters, Free People, Zara that’s another one.

Jason M. Matyus (jasonmatyus@gmail.com)
Braxton T. Mergenthal (mergenthalb24@hsc.edu)
Zachary Gonzalez (gonzalez224@hsc.edu)
Teddy Bilodeau (bilodeaue23@hsc.edu)