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Customers’ Online Shopping Attitudes in Relation to Their Online Shopping Experience

Abstract
Online shopping and the share of online buying population are growing. Customers’ perceptions and attitudes of online shopping are seen as an important indicator of online customer satisfaction and their repurchase intentions. This paper presents partial findings of the research focused on online shopping in the Czech Republic conducted by the Department of Marketing, Technical University of Liberec in 2012. It examines the relationship between customers (Internet users) and online shopping as well as the impact of customer online shopping experience (shopping frequency and the amount of money spent by online shopping) on their perceptions and attitudes towards online shopping by applying a multi-attribute model. It was found that despite some identified differences in online shopping attribute evaluation and online shopping attribute importance analyzed by shopper experience, their attitudes towards online shopping can be perceived as very similar and very positive. This represents a great potential for the growth of online shopping in the Czech market in terms of the number of population and the amount of money spent by online shopping.

Key Words
on-line shopping, customer, perception, attitudes, experience

JEL Classification: M31

Introduction
The development of Internet and Internet commerce has made it possible to provide new kinds of added value for customers. Effective use of Internet technology offers many possibilities and advantages for both, companies and their customers. Internet used in communication, marketing activities and sales enables cost reduction and high supply chain effectiveness. [11] It represents a major source of competitive advantage, market penetration, innovation, technology transfer and management competency. [18, p. 187] Consumers buying products and services over the Internet get a better deal as well. [9], [19] Internet provides a lot of information and allows consumers easy and fast comparison of products and prices. Internet makes shopping online convenient and time saving. [6] This is the reason why consumers engage in Internet commerce and develop favourable attitudes towards online shopping.

Recent development shows that Internet user base including a share of online buying population is growing. Spending on a per user basis increases as well. It is evident that online shopping is gaining bigger sales and market share from traditional retailers. [10, p.
According to the research conducted by the Netmonitor in 2011, the Czech Internet population increased by 360,000 Internet users as compared to the previous year. Most of the Internet users (about 95 percent) have experience with online shopping. In 2012, total online sales in the Czech Republic reached CZK 43 billion, which was by CZK 6 billion more than in 2011. The Christmas online sales in 2012 counted for CZK 17 billion. On average, one online shopper spent CZK 9,280 in 2012. The annual spending per online shopper decreased in 2012 in comparison to 2011 (CZK 11,659), however the number of online shoppers shopping over the Internet regularly has been growing. About 52 percent of online shoppers shop more than five times a year; 91 percent of them shop online at least once a year. [2] Almost 50 percent of them make online shopping once in three months. There are more men than women shopping online. Men spend more than women, although the frequency of online shopping is about the same. The most frequently bought products are computers, clothing, sport equipments and cosmetics. [7], [12], [13]

Online shopping attracts a lot of attention from practitioners and academics. Various aspects of online shopping have been examined for years. Customers’ perceptions and attitudes of online shopping are seen as an important indicator of online customer satisfaction and their repurchase intentions. This paper presents partial findings of the research focused on online shopping in the Czech Republic conducted by the Department of Marketing, Technical University of Liberec in 2012. It examines the impact of customers’ online shopping experience on their perceptions and attitudes towards online shopping. The objective was to identify any significant differences in customers’ perceptions and attitudes towards online shopping by frequency of online shopping and the annual amount of money spent by online shopping in order to understand their attitudes and motivation for online shopping.

1. Conceptual framework of the customers’ online shopping attitude study

Customer attitude is usually defined as the customer’s global evaluation of a product/service offering. It is formed by customers’ prior attitude, his or her perceptions of current performance, prior expectations about performance, and the discrepancy between the expectations and subsequent perceptions. [5, p. 2] Experience, information, customer preferences, satisfaction and lifestyle are among other factors that influence attitudes. [3] [4] There is no doubt that customer attitudes guide their behaviour. Customers who are satisfied with their purchase from a particular company are likely to develop favourable attitudes towards the product and/or company and become more loyal to it. The more positive attitude held with strong convictions, the higher probability that customer will buy a product or service.

Approaches, methodologies and techniques to measure customers’ perceptions and attitudes have generated a lot of academic attention. Many methods of customer perception and attitude measurement have been developed from the methods used in psychology and sociology. [3] [15] Probably the most common methods used in the research of customers’ attitudes are customer prototypes, semantic differential, open-end technique, multidimensional scaling, psycholinguistic and numerical comparative scales.
This paper explores customers' perceptions and attitudes towards online shopping by applying a multi-attribute model. The multi-attribute model measures customer attitudes as a function of their online shopping attribute perceptions and evaluations. The selected attributes are weighted by customers' importance of each attribute. [8] An overall attitude is stated as result of the evaluation of the online shopping attributes and the importance of the attributes to customers. [1] The concept used in the study defines customers' attitudes as an overall assessment of the utility of online shopping based on perception of benefits and risks associated with online shopping. The conceptual framework of the study includes the following attributes of online shopping used in the research for customers' attitudes measurement:

- Wide product assortment
- Lower prices
- Low time (search) cost
- Shopping convenience
- Goods return policy
- References from other online shoppers
- Risk related to goods order and payment
- Complicated claim policy
- Anonymity (no personal contact)
- Lack of physical contact (only virtual product presentation).

The differences in online shopping perceptions and attitudes are influenced by many factors such as demographic and socio-economic characteristics of customers, their personal values, lifestyle and shopping orientation. [14] Most of the research studies conducted in online shopping focused on exploring the impact of demographic and socio-economic characteristics on online shopping behaviour. As far as the online shoppers' perceptions and attitudes towards online shopping in the Czech Republic are concerned, it was found that the perceptions and attitudes of respondents vary more by their age rather than income. The most positive attitudes were expressed by the middle-age online shoppers who highly evaluated lower prices, low time cost and wide assortment offered by online shopping. The least positive attitudes towards online shopping were held by the oldest age category of shoppers that appreciated references from other online shoppers, low time cost, goods return policy and shopping convenience. The youngest generation of online shoppers highly evaluated lower prices and wide assortment of products. [16]

This paper presents the findings related to the influence of online shopping experience on perceptions and attitudes of online shoppers towards online shopping. The online shopping experience was measured by the frequency of online shopping and the amount of money spent in online shopping.

2. Research methodology

There have been different approaches and sample selection criteria used in the research on customer perceptions and attitudes. To avoid potentially confusing problems in
studies, Schiffman, Dash and Dillon suggested to interview respondents that were known to be recent purchasers of a specific product category from examined types of retailers. [17] James, Durand and Drevé suggested that perception studies should focus only on target market segments since different groups of customers consider different (store) attributes as important. The results of the study thus should not be "contaminated" by the attitudes of nontarget market customers. [8]

Respondents interviewed for the study, were Internet users who had some experience with online shopping. They were men and women of different age and income levels, selected by non-probability convenience sampling method using Internet web side as a device for completing the questionnaire. For this reason the sample does not fulfil the requirements for representative sampling. Data were collected by electronically-administered questionnaires. The research was conducted in the Czech Republic in the period of January – February 2012.

To understand and interpret the results of the research, descriptive analysis was used to get information on the perception and importance of the selected attributes for respondents when doing online shopping. The differences in online shopping attributes evaluation and importance were statistically tested by one-way ANOVA analysis. The multi-attribute model was used to explore respondents' attitudes towards online shopping.

2.1 Demographic and socio-economic profile of the respondents

The sample included 503 respondents. There were 45 percent men and 55 percent women in the sample. The average age of the respondent was 29 years. The largest proportion of the respondents (75 percent) was at the age of 15 – 34 years. About 20 percent of the respondents stated the age category 35 – 54 years. The respondents over 55 years represented only 5 percent. The youngest respondent was 16 years old and the oldest respondent was 79 years old. The sample consisted of 40 percent employed and 6 percent self-employed people. About 6 percent of the respondents were unemployed or pensioners. Approximately 42 percent of the respondents completed the secondary level of education and 41 percent of them achieved the university degree.

The respondents' average monthly per capita household income was CZK 15,800. The lowest income category with monthly household per capita income up to CZK 20,000 represented the largest percentage of the respondents (64 percent). The proportion of the respondents in the middle income category (CZK 20,000 – 40,000) represented 14 percent and the highest income category (over CZK 40,000) 2 percent.

3. Respondents' attitudes towards online shopping

As found by the research, one person in the Czech Republic made about 10 online purchases in a total value of CZK 15,800 per year in 2012 which was roughly the same amount as an average monthly per capita income stated by the respondents. The lowest
amount spent on goods bought online was CZK 500 per year, the largest amount stated by the respondents was CZK 120,000. However, most respondents (75 percent) shopped online less often. About 22 percent of them shopped 11 – 30 times per year. Heavy online shoppers shopping more than 30 times a year represented only 3 percent of all interviewed respondents. The distribution of respondents by their online shopping frequency correlated highly with the amount of money spent by online shopping. More than 77 percent of respondents spent less than CZK 20,000 a year. About 20 percent of them spent between CZK 20,000 and 60,000. Less than 3 percent of respondents spent more than CZK 60,000 a year.

Ten attribute dimensions considered to be specific for online shopping including six dimensions of benefits (wider product assortment, lower prices, low time cost, shopping convenience, goods return policy and references from other online shoppers) and four dimensions of sacrifices (risk related to goods order and payment, anonymity of the seller – no personal contact, complicated claim policy and lack of physical contact in terms of product presentations) were selected for measuring customers’ attitudes towards online shopping by Likert scale where 1 meant very good evaluation, 5 very bad evaluation. The attitudes were examined by using a multi-attribute attitude model that considers the attribute evaluation and attribute importance. Table 1 shows the mean scores for each attribute measurement.

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Shopping frequency categories</th>
<th>Amount of money spent per year categories</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>Lower prices</td>
<td>1.72</td>
<td>1.75</td>
<td>1.93</td>
</tr>
<tr>
<td>Lack of physical contact</td>
<td>1.74</td>
<td>1.70</td>
<td>2.14</td>
</tr>
<tr>
<td>Shopping convenience</td>
<td>1.91</td>
<td>2.07</td>
<td>1.97</td>
</tr>
<tr>
<td>Wide product assortment</td>
<td>1.86</td>
<td>1.80</td>
<td>2.14</td>
</tr>
<tr>
<td>Low time (search) cost</td>
<td>1.88</td>
<td>2.00</td>
<td>1.29</td>
</tr>
<tr>
<td>References from other online shoppers</td>
<td>1.90</td>
<td>1.93</td>
<td>2.43</td>
</tr>
<tr>
<td>Complicated claim policy</td>
<td>2.20</td>
<td>2.42</td>
<td>2.79</td>
</tr>
<tr>
<td>Goods return policy</td>
<td>2.31</td>
<td>2.46</td>
<td>2.93</td>
</tr>
<tr>
<td>Anonymity (no personal contact)</td>
<td>2.37</td>
<td>2.36</td>
<td>3.21</td>
</tr>
<tr>
<td>Risk related to goods order and payment</td>
<td>2.81</td>
<td>2.82</td>
<td>3.00</td>
</tr>
</tbody>
</table>

Note: 1 – very good attribute evaluation, 5 – very bad attribute evaluation; Shopping frequency categories: A... less than 10 times a year, B... 11 – 30 times a year, C... more than 30 times a year; Amount of money spent categories: 1... less than CZK 20,000, 2... CZK 20,001 – 60,000, 3... over CZK 60,000.

Source: own research

When evaluating attributes of online shopping, the highest mean scores were given to lower prices, no need for physical (face to face) contact, shopping convenience, wide product assortment and possibility to get references from other online shoppers. Other attributes such as complicated claim policy, goods return policy, anonymity and risk related to the process of order and payment when shopping online were perceived as less favourable dimensions related to the disadvantages of online shopping.
The same dimensions were used to explore the online shopping attribute importance. The importance of selected attributes was evaluated by using the scale 1 – very important to 5 – not important. The mean scores of customer online attributes importance is shown in Table 2.

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Shopping frequency categories</th>
<th>Amount of money spent per year categories</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>Goods return policy</td>
<td>1.61</td>
<td>1.50</td>
<td>1.86</td>
</tr>
<tr>
<td>Low time (search) cost</td>
<td>1.85</td>
<td>1.76</td>
<td>1.36</td>
</tr>
<tr>
<td>Lower prices</td>
<td>1.94</td>
<td>1.86</td>
<td>1.93</td>
</tr>
<tr>
<td>Complicated claim policy</td>
<td>2.17</td>
<td>2.08</td>
<td>2.00</td>
</tr>
<tr>
<td>References from other online shoppers</td>
<td>1.73</td>
<td>2.16</td>
<td>2.50</td>
</tr>
<tr>
<td>Anonymity (no personal contact)</td>
<td>2.15</td>
<td>2.32</td>
<td>2.50</td>
</tr>
<tr>
<td>Wide product assortment</td>
<td>2.43</td>
<td>2.14</td>
<td>2.83</td>
</tr>
<tr>
<td>Risk related to goods order and payment</td>
<td>2.40</td>
<td>2.41</td>
<td>2.79</td>
</tr>
<tr>
<td>Lack of physical contact</td>
<td>2.40</td>
<td>2.41</td>
<td>2.79</td>
</tr>
<tr>
<td>Shopping convenience</td>
<td>2.49</td>
<td>2.65</td>
<td>2.93</td>
</tr>
</tbody>
</table>

Note: 1 – very important,... 5 – unimportant; Shopping frequency categories: A... less than 10 times a year, B... 11 – 30 times a year, C... more than 30 times a year; Amount of money spent categories: 1... less than CZK 20,000, 2... CZK 20,001 – 60,000, 3... over CZK 60,000.

Source: own research

As stated by the respondents, goods return policy, low time cost, lower prices, claim policy and information about e-shop identification (anonymity) were perceived to be the most important attributes for online shopping. The other attributes – wide product assortment, risk related to goods order and payment process, lack of physical contact and shopping convenience were perceived to be less important.

Statistically significant differences in respondents’ attribute evaluations by online shopping frequency were found in perceptions of claim policy, lack of personal contact, references, product assortment and the risk associated with goods order and payment. These attributes were evaluated less positively by those who shop online more often. The same segment of online shoppers (shopping often) evaluated time saving better than other online shoppers. No statistically significant differences were found in online shopping attributes perceptions by respondents according to their amount of money spent by online shopping.

The one-way ANOVA analysis identified statistically significant differences in importance perceptions of the following attributes: time, shopping convenience, references from others, anonymity, product assortment, a risk associated with goods order and payment. Whereas shopping convenience, references, product assortment, information about e-shop provider (no anonymity) and low risk related to shopping were found to be more important to the respondents with lower frequency of online shopping. The frequent shoppers considered time saving factor to be more important than the others. Statistically significant differences in importance attribute perception
were identified by respondents according to the amount of money spent by online shopping. Time saving and information on e-shop were considered to be more important for respondents spending high amount of money by online shopping. The shoppers with low value orders perceived the risk related to the order and payment process to be more important in comparison the other segments.

The findings of online shopping attribute importance (Table 2) together with the results on online shopping attribute evaluation (presented in Table 1) were used in online shoppers’ attitude analysis. The total attitude scores towards online shopping were calculated for each online shopping frequency and amount of money spent category. The results including the total attitude towards online shopping are presented in Table 3.

<table>
<thead>
<tr>
<th>Attitudes towards online shopping</th>
<th>Shopping frequency categories</th>
<th>Amount of money spent per year categories</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>Attitudes towards online shopping</td>
<td>44</td>
<td>45</td>
<td>51</td>
</tr>
</tbody>
</table>

Note: the most positive attitude (min. value) = 10, moderate attitude (average value) = 130, the negative attitude (max. value) = 250; Shopping frequency categories: A... less than 10 times a year, B... 11 - 30 times a year, C... more than 30 times a year; Amount of money spent categories: 1... less than CZK 20,000, 2... CZK 20,001 - 60,000, 3... over CZK 60,000.

Source: own research

Indices of multi-attribute model used for measuring online shoppers attitudes (see Table 3) show that online shoppers enjoy shopping over the Internet and have rather positive attitudes towards it. The attitudes of those shopping less frequently and spending less by online shopping seem to be slightly more positive than the respondents’ attitudes of the other categories.

Conclusion

Based on the findings presented above, it could be stated that the perceptions and attitudes of online shoppers towards online shopping in relation to their experience vary mainly by the frequency of their online shopping. The attitudes of online shoppers according to the amount of money spent by online shopping correspond to the attitudes of respondents identified by their shopping frequency, although very few statistically significant differences were proved. Despite some identified differences in online shopping attribute evaluation and online shopping attribute importance analyzed by shoppers experience, their attitudes towards online shopping can be perceived as very similar and very positive (see Table 3). This is a great potential for the growth of online shopping in the Czech market in terms of the number of population shopping by online and the amount of money spent by online shopping.

Less experienced online shoppers evaluated the lower price, possibility to shop anytime without going physically to a shop, wide range of products and time saving by highest
scores. The attributes of online shopping appreciated by heavy online shoppers the most were time, favourable prices, shopping convenience and wide product assortment. Time was also the most important attribute for them when shopping online. It seems that the more experience online shoppers, the less risk conscious and afraid they are. They usually know e-shops where they shop, they have already built a trust so that the order and payment process is no longer a problem for them. On the other hand, the risk associated with the order and payment is still an important attribute for occasional online shoppers.

Online shopping offers many benefits to online shoppers by reducing their search cost and increasing shopping convenience. Information provided by Internet influences the online shopping experience and compensate for the lack of personal and physical contact. Shopping convenience is also well perceived by online shoppers and to some extent is probably taken for granted (as a part of online shopping) since it was ranked as less important attribute for online shopping.

The weak areas of online shopping requiring further improvement, as identified by the research, are related to the product return, claim policy, and the risk related to the order of goods and the way of payment. This area offers some potential for improvements and encouragement for online shopping. Companies providing online shopping should do their best to lower all risks and doubts related to online shopping. They should focus on building trust and relationships with their online customers. Doing so would lead to higher customer’s satisfaction, positive attitudes and loyalty.

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References


