IDENTIFICATION OF FACTORS AFFECTING CONSUMER HABITS IN THE E-ENVIRONMENT

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Abstract. The tendency of parallel usage of real and electronic markets by customers all over the world is clearly visible at present time. Change of generations and increase of technology usage in customers' life results in constant grow of e-environment users' number. Changes in customers' behavior and actions occur. To work successfully on electronic market, companies must identify their target customers as well as factors which influence customers' way of action and behavior. The aim of presented work is to determine and classify factors, influencing consumers' behavior in e-environment. In addition to this, research authors classify consumers in e-environment, analyze business environment and summarize results for research being held in November–December, 2009. Authors employ well-known quantitative and qualitative methods of research: surveys, grouping analysis, statistic methods, etc. The theoretical and methodological background of the research is formed by, scientific researches and publications, publications from mass media and professional literature; statistical information from legal institutions as well as information collected by authors during the survey. Research authors conclude that most powerful factors of customer's behavior influence have demographical and personal nature – age, sex, ability to work with computers, time spent in e-environment and experience, followed by social and economical factors.

Keywords: consumers, habits, e-environment, e-market, internet, e-marketing.

1. Introduction

Electronic market is the biggest market in terms of consumer number. Moreover, it works 24/7 all year round, which makes electronic market very attractive for customers. In addition, there are a lot more different benefits for companies using e-commerce:

– *strategic:* extending the firm's market reach; product differentiation; loyalty and retention of trade partners; improved revenue, etc.;

– *informational:* improved marketplace information, improved communications and relations with consumers, market research., etc.;

– *operational:* reduced transactional costs, time efficiency, etc (Hart, Daoust 2006).

E-commerce has changed the theory of consumer values. Nowadays consumers have new requirements – speed, convenience, personal service, attractive price, possibility to influence a deal. The research presented further in this paper supports this claim. By the use of technological solutions of e-commerce and e-business, the company may pay more attention to the needs of the consumers and in the competitive environment become as one of the best cooperation partner. Technolgy has the primary role in shaping the business strategy; it is the cause and driving force of today's business (Gaile-Sarkane 2005).

Customer behavior involves the thoughts and feelings experience and the actions they perform in consumption processes. It also includes all the things in the environment that influence these thoughts feelings and actions. These include comments from other customers, advertisements, price information, packaging, product appearance and many others. It is important to recognize from this definition that consumer behavior is dynamic, involves interactions, and involves exchanges. Consumer behavior is dynamic because the thinking, feeling and actions of individual consumers, targeted consumer groups and society at large are constantly changing. A vast number of individual differences can influence consumer behavior. Some of the most important include personality, lifestyles and psychographics, and motivation. Personality reflects a person's consistent response to his or her environment (Gaile-Sarkane 2003).

It has been linked to differences in susceptibility to persuasion and social influence and thereby to purchase behavior. At the same time electronic environment is different and organizations cannot apply the same standards to the internet purchasing.

Nowdays customers are as consumers and they want to be "prosumers": co-innovating products and services with producers. The concept of a brand in the process of changing forever because of them (Kotler, Jain, Maesincee 2000). The importnace of customers' roles confirms also different marketing complimentary business concepts and its development like theories of corporate so-

cial responsibility (Jacoby 1973), colloborative communication (Mohr, Fisher and Nevin 1996; Mohr, Nevin 1990), corporate communications (Murray 1996), communication management (Will 2000), and integrated marketing communications (Rossiter 1996). Kotler describes customer's power as follows: "It is likely we will experience power transfer to a more organized consumer..." (Ludicke 2006). The importance of connsumers behaviour aplicate also definition of marketing done by American Marketing Association: "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offers that have value for customers, clients, partners, and society at large" (American Marketing Association 2007). Authors of the paper agree with this definition, because it is oriented both to customers and those interests and business environment and those interests.

Objective of the paper: to analize consumer behavior in electronic environment and to identify factors that affect consumer habits in the e-environment.

Research methodology: The paper's authors employ well-known quantitative and qualitative research methods: grouping, analysis, statistic method, etc

The theoretical and methodological background of the research is formed by, scientific researches and publications, publications from mass media and professional literature; statistical information from legal institutions as well as information collected by authors of the paper during the survey.

2. Information impact consumer habits

Information is the most important criteria which affects consumer habit in the e-environment.

Human information behavior is how individuals approach and handle information. This includes searching for it, using it, modifying it, sharing it, hoarding it, and even ignoring it. Consequently, when we manage information behavior, we're attempting to improve the overall effectiveness of an organization's information environment through concerted action. (Kotler 2003). Nowadays it is important because customers are searching for information, comparing prices and trying to find best offer for themselves. And, according to statistical information, main activities in the internet are oriented towards information exchange and information search.

On 1999 Wilson has developed information behavior model (Fig. 1). The model suggests that information-seeking behavior arises as a conse-

quence of a need perceived by an information user, who, in order to satisfy that need, makes demands upon formal or informal information sources or services, which result in success or failure to find relevant information. If successful, the individual then makes use of the information found and may either fully or partially satisfy the perceived need – or, indeed, fail to satisfy the need and have to reiterate the search process. The model also shows that part of the information-seeking behavior may involve other people through information exchange and that information perceived as useful may be passed to other people, as well as being used (or instead of being used) by the person himself or herself (Wilson 1999).
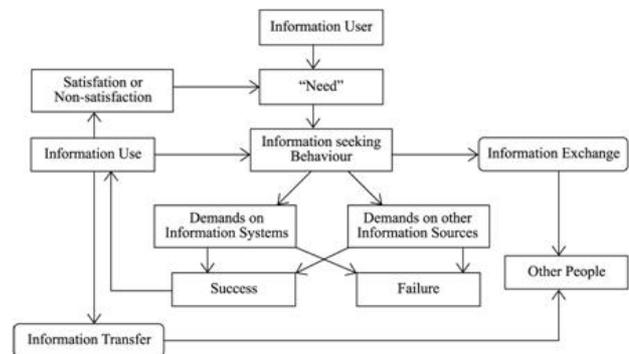

Fig. 1. Wilson's information behavior model (Wilson 1999)

At the root of the problem of information-seeking behavior is the concept of information need, which has proved intractable for the reason advanced by Wilson in 1981. According to Wilson need is a subjective experience which occurs only in the mind of the person in need and, consequently, is not directly accessible to an observer. The experience of need can only be discovered by deduction from behavior or through the reports of the person in need (Wilson 2002).

The general concept of need is, of course, a psychological concept, since it refers to a mental state or states and a good deal attention has been given to the idea, its subjective character and the motivation for the expression of need or the physiological drives that result in the expression of need (Wilson 2002).

In the same paper Wilson proposed a model of the circumstances that give rise to information-seeking behavior (Fig. 2 – simplified model). The main elements of Wilson's model are the situation within which a need for information arises (the PERSON performing a ROLE in an ENVIRONMENT), the barriers that may exist to either engaging in information-seeking behavior

or in completing a search for information successfully, and information-seeking behavior itself.

Fig. 2 has been simplified and amended to show how Ellis (1989) (Pickard 2007) work on information-seeking fits into the model (Wilson 2002).
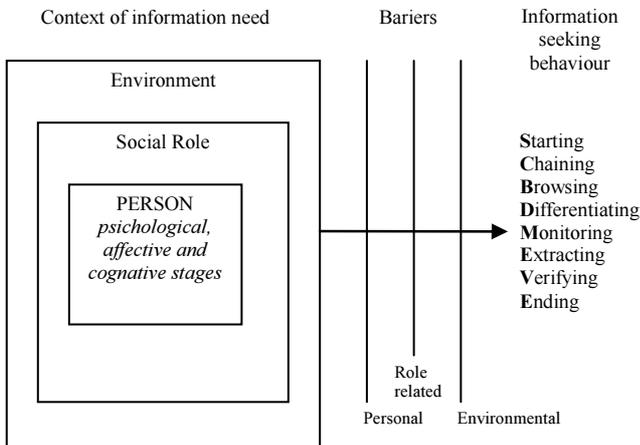

Fig. 2. A model of information-seeking behavior (Wilson 2002)

The authors of the paper have grouped factors what influence electronic consumer beahviour in three groups – personal, direct and indirect influence. At the same time factors what influence information seeking process is – personal, role related and environmental. Groping of factors presented in Wilsons' information-seeking behavior model are very close to factors offered by the research authors. Therefore the authors of this reasrch are convinced that it is possible to adapt information-seeking behavior model for description of consumer behaviour in electronic environment.

3. Factors and habits of consumers in e-environment

The authors carried out a research on September–November 2009 with the aim to confirm different habits of consumer behavior. The target group comprised people in the age group from 17 to 63 years, both genders; total number of respondents was 236. A questionnaire was designed with 17 questions including 3 open questions. The research confirmed that people in age from 17 till 32 use the Internet every day and cannot imagine their life without it. At the same time 74 % of all respondents use the Internet frequently (Fig. 3).

According of author's research all respondents use the Internet for information search;

learning and for different deals, for communication with other people in social networks. They read news and carry out payment transactions.
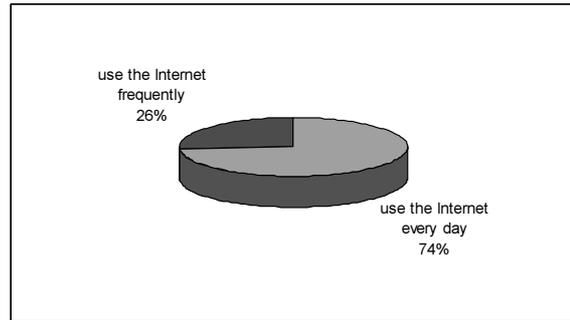

Fig. 3. The regularity of Internet usage by respondets age group 17–32 years old

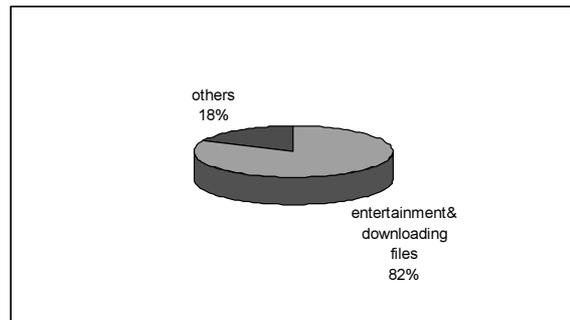More then 80 % of respondents use the Internet for entertainment and downloading files (music, films etc.) (Fig. 4).

Fig. 4. Respondents' purpose of Internet use

Constant acces to the Internet is vital for 70 % of the respondents wherever they are or going to be. The research reveals the main factors on the consumer decision-making of shopping in the e-environment,

– non-stop shopping opportunity 24/7 365 days a year, not leaving one's home,
– lower prices for the same products than in a traditional shop,
– larger range of product variety than in a traditional shop,
– an opportunity to compare prices and choose the lowest price,
– an opportunity to purchase a good not available in one's country,
– easy navigation of a site,
– design of a site,
– easy use of a site,
– information accessability, overview of contents,
– opportunity to choose the language,
– brand loyalty,

– efficient reaction of a sales person,

– etc.

On the other hand, a range of factors hinder consumer decisions,

– missing information for online shopping opportunities,

– slow speed downloding,

– unexpected sounds, animations, pop-ups, banners, etc,

– unclear structure of a site, which slow down search process,

– too much information, complicated texts,

– lack of visual explenatory images,

– concerns about payment security,

– lack of information of a product, insufficient visual depiction of a product

– lack of computer literacy

– etc.

The authors have found out that the shopping habits in the e-environment depend on the age, job, lifestyle, family status, mood and other factors. The most favoured products for online shopping are flight tickets, hotel reservations, car rentals, music and films with or without the data carrier, clothing, shoes, and goods for home and interrior design. Important finding is on the role of spontanious decisions. More than 50 % of the respondents have admitted to spontanious decision to shop online as a result of advertisements and special offers. However, more than 60 % of the respondents love to find information on the desired service or goods, to analyze it and do well considered shopping. About 70 % shop only recognized brands which they are familiar with. Above metioned behavior of customers are in line with thoughts of Marius K.Ludicke:„consumers Marius K.Ludicke argues, „consumers believe in advertisements the same way they believe in Santa Claus: Their internalized, infantile patterns of behaviours are rationally refuted but still exercised through a need for stability" (Ludicke 2006).

This leads to a conclusion that it is important to identify the decisive e-environment factors as well as consumer habits. The combination of both sides facilities the planning of sales activities in the e-environment.

After analysis of research results authors concluded that all answers of customers can be translated for companies in pros and cons. For example, comment „lack of visual explentory images" can be explained as necessity for companies think more about navigation of web atributes of visualization. Therefore authors of the paper

compeared benefits of companies and answers of respondents (Table 1).

Table 1. Customer needs and possibility to get benefits from it for a company

Customer needs or requirements	Area of benefit for the company	Comments
Convenience (non-stop shopping opportunity 24/7 365 days a year, not leaving one's home)	Strategic	Loyalty of customers
Discounts or money saving (lower prices for the same products than in a traditional shop)	Operational	Cost efficiency
Convenience, attractive benefit (larger range of product variety than in a traditional shop	Strategic Informational	Improved information about customer needs and wants, control of demand
Globalization (an opportunity to purchase a good not available in one's country, opportunity to choose language)	Strategic Informational	
Design, physical evidence (easy navigation of a site, design of a site, easy use of a site, etc.)	Strategic Informational Operational	Most important for online company is web design because it creates overall image about the company
Image (brand loyalty)	Strategic	Company value creation
Technologies (slow speed downloading, unexpected sounds, animations, pop-ups, banners etc.)	Informational	
Information (lack of information of a product, insufficient visual depiction of a product)	Strategic Informational	Underline customer needs what should be fulfilled
Computer literacy (concerns about payment security, lack of computer literacy)	Strategic Informational	Depends on generations and stereotypes of society.

In compliance with information presented in the table, authors appointed two main problem areas for companies – controllable areas and non-controllable. Controllable areas are:

– Design of web (homepage, portal etc.) including layout, volume of information, colors, pictures etc.;

– Volume of information presented in e-environment about the company, products etc.;

– Level of convenience – working hours, interactivity (chat rooms, communication, etc.), discounts, system of payments, delivery services etc.;

– Globalization – languages, presence in global network and searching engines etc.;

– Other controllable factors, for example, promotion activities, image of a company or a brand etc.

At the same time there are some non-controllable areas what are important for companies:

– Computer literacy – varies from generations and people skills (Battelle 2005). This factor should be taken into account when a company is setting its main target audience, when it is planning its activities, strategy, development etc.;

– Technologies – varies form hardware to software. Technologies develop very fast and it creates confusion for both – customers and companies. According to statistics (Kotler, 2003) just 2,5 % of all customers are Innovators and 13.5 % are early adopters. It means that approx. 15 % of all customers are open for usage or uses newly developed technogies. At the same time companies wanted to be up-to-date and apply all new technologies as fast as possible. It is a risk to lose those customers who doesn't belong to mentioned group of early adopters of technologies.

– Globalization – process what can belong to both – controllable and non-controllable factors (Battelle 2005).

Other non-controllable factors, for example, customer attitude, economic conditions or environment, etc.

According to this classification of main problem areas authors would like to identify factors what affect consumer habits in electronic environment. For this reason authors recommends to group all factors in three main areas:

– Personal (or individual) factors;

– Direct influence factors;

– Indirect influence factors.

In accordance with the authors viewpoint what is based on research results the personal factors are:

– Age and stage of life cycle;

– Occupation and economic circumstances;

– Lifestyle;

– Personality and self-concept;

– Motivation, perception, learning;

– Beliefs and attitudes, etc.

Direct influence factors are:

– Social environment;

– Policies and regulations;

– Procedures;

– Systems (including technologies);

– Company image, brand popularity, etc.

– Indirect influence factors are:

– Economical situation (level of demand, economic outlook etc.);

– Political situation;

– Science and technology development level;

– Demography, etc.

On the base of analysis the authors presume that it is possible to create model of consumer behaving in electronic environment. Theoretical background can be based on Wilsons' information behavior model.

4. Conclusions

The research contributes to better understanding of the specifics of factors that influences consumer behaviour in electronic environment. There are a lot of potential for further analysis of consumer behaviour. Therefore it is important to develop new methods for evaluation of consumer behaviour in e-environment.

Main conclusions of research are:

Companies face to main problem areas in electronic environment – controllable areas and non-controllable. A vast number of individual differences can influence behavior of consumers. Some of the most important include personality, lifestyles and psychographics, and motivation. Personality reflects a person's consistent response to his or her environment. It has been linked to differences in susceptibility to persuasion and social influence and thereby to purchase behavior. At the same time electronic environment is different and organizations cannot apply the same standards to the internet purchasing.

Technologies develop very fast and it creates confusion for both – customers and companies. According to statistics just approx. 15% of all customers are open for usage or uses newly developed technologies. At the same time companies wanted to be up-to-date and apply all new technologies as fast as possible. It is a risk to lose those customers who doesn't belong to mentioned group of early adopters of technologies.

According to different theories of consumer behavior and researches done by the authors up to now factors that have influence on consumer behavior are: social, personal, economic, situational, cultural, psychological and marketing mix communication. At the same time factors that influence information seeking process is – personal, role related and environmental. Authors of the paper recommends to group all factors that affect consumer habits in the electronic environment in three main areas – personal (or individual) factors, direct influence factors and indirect influence factors. Direct influence factors for the customers are environmental, for example access to the resources, current economical situation in the country (inflation, interest rates etc.), marketing mix and communication. As indirect influence factors the authors of the paper would point out cultural and social factors that are mainly role related, besides some of social factors could be applied to both – direct and indirect groups. Under the group „personal or individual" the authors presume those who depends on the individual – psychological, personal and situational (with situational factors the authors presume environmental factors, impact of the situation, sales personnel etc). The mentioned grouping would be important for development of recommendations for companies that would like to adopt in the market new tools of e-commerce or channels of communication via the internet.

Wilsons' information behavior theory (Wilson 2008) and both Wilson's models: Information behavior model (Wilson 1999) and model of information-seeking behavior (Wilosn 2002) can be adapted for more profound description of factors that affects behavior and habits of consumer in electronic environment.

However, the field of research is very wide and this paper presents just an insight in the large scope of questions what should be analyzed in the future reserches.

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