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HOW CONSUMERS SEARCH FOR INFORMATION ONLINE:
A FOCUS GROUP INVESTIGATION

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INTRODUCTION

This research seeks to explore how the Internet provides consumers with information, how they go about finding this information, and what information is important to them. Changing user demographics, what consumers feel and think about this medium, what makes them use or not use, and for what purposes has increased in research importance.

The Internet has provided a new retail system (Evans 1996; Van Tassel and Weitz 1997), performs a support for marketing (Hazel 1996) while facilitating marketing communication. The Internet has widened the amount of information sources available (Parasuraman & Zinkhan 2002) with sophisticated searches available (Rappa 2000). Internet customers are well informed with increased information access. The Internet is user-friendly to comparison shop and consumers not only have more control in the shopping process as location becomes irrelevant as the transaction occurs electronically, but also have become smarter and quicker shoppers (Markham 1998). If retailers within electronic marketplaces can distribute and provide information more efficiently than others, opportunities should arise (Bakos 1997) for profits, return visits should occur. However, research into how consumers search for and purchase online is still in its infancy. Understanding who online customers are, behaviors and the benefits they seek has grown in importance (Sen, Padmanabhan, Tuzhilin, White, Stein 1998).

GOALS OF PAPER

The goals of this paper are firstly to determine is the user new to Internet usage? Is branding important? What differences exist when looking for service versus product information? Does price's role change over time, as customers form relationships with e-tailers? Is searching straightforward or recursive and lengthy? And finally, after searching, what is the propensity that the consumer should purchase?

Studies conducted about many aspects of the Internet include salespeople's role and presence (Sharma and Krishnan 2002), technology infusion (Bitner, Brown et al. 2000; Fisk, Brown et al. 1993) successful site strategies (Hoffman, Novak et al. 1995), gender differences (Teo 2001), self service technologies (Meuter, Ostrom et al. 2000), and web usage behaviour and motivations (Anders 1999; Hanson 2000; Teo 2001; Mathwick 2002). Ward and Lee (2000) and Lee (1999) compare possible relationships between consumer lifestyle and online purchasing (Li, Kuo et al. 1999; Swaminathan, Lepkowska-White et al. 1999). Bruce (1999) explored consumer information search perceptions, Burke (2002) explored service levels and product information availability, while Zeithaml, Parasuraman et al (2002) has developed a eSERVQUAL model (2002) for understanding and improving customer's requirements and experiences. Pricing has been a significant area of research (Bakos, 1997; Brynjolfsson & Smith, 2000; Pan, Ratchford & Shankar 2001, 2002). However gaps exist in this area of consumer information search strategies with changing demographic and behavioural frameworks (Zeithaml, Parasuraman et al 2002). Discrepancy exists in the debate as to why electronic markets are not as efficient at delivering information. And why aren't online environments more competitive than traditional markets? Internet customers are well informed (Rappa 2000).

FOCUS GROUP METHODOLOGY

Focus groups are one of the most frequently used forms of qualitative research in social sciences (Healy and Perry 1998; Stewart and Shamdasani 1990). Indeed, focus groups are now regarded as a major form of qualitative research (Greenbaum 1993; Malhotra 1999). It became clear after four groups that it was unlikely any new information would be imminent. Most of the participants were aged 17-24, and table 1 shows demographic and psychographic profiles and numbers of each age group used in the research.

DISCUSSION AND FINDINGS

The following section briefly summarises the findings of this research.

Is the user a new customer to Internet usage? Customers are important intangible assets (Gupta and Lehmann 2003) to online and traditional stores. They need to be managed, especially in online environments. Many of the older participants stated that they were 'too old to learn something new'. Others were happy to embrace this new medium and didn't mind the time factor of surfing and trying to find bargains. Many participants stated that shopping in a real store gave many opportunities for marketing to communicate with them and they were more influenced by this. They also expressed that etailers did not have the same atmosphere that affected shopping. Prior research conducted has found that increasing atmospheric qualities in online stores can induce reactions and increase enjoyment and satisfaction (Eroglu, Machleit and Davis 2001).

The need for personalization to occur from e-tailers was expressed (Kalyanam & McIntyre 2002). 'I would much prefer to browse and shop if the site remembered who I was, or belonged to the mailing list' and 'I like it when they remember what I bought last time and make suggestions' were typical comments from participants. Also 'It helped me decide between a site that I had used before, compared with a site that I had not and did not trust as much.' However, participants expressed that one-to-one marketing was not a reason to continue to stay loyal to that e-tailer, as found in a prior study by Burke (2002).

Is being a strong brand important to online trust? Conflicting literature can be found on branding in an online environment, which made inclusion of branding important in the confines of these focus groups. E-traders appeared to be more trusting if they carried a name that consumers knew which influenced attitudes towards information searching and purchase intentions (Lynch et al. 2001). A trusted source can aid greater persuasiveness of the information (Hovland & Weiss 1951; Wilson & Sherrell 1993). This helped first time users, as brands are important assets (Aaker & Davis 2000). Participants said that they would trust Amazon.com but may shy away from not so known e-tailers. Online users with more experience may have less angst about site trust (Lynch et al. 2001).

Branding has been found to be strong amongst online communities with benefits to both consumer and brand (McWilliam 2000). Participation and dialogue are encouraged and strong relationships are being made, giving a stronger voice to the brand. Relationships formed in a virtual community outreach what has been traditionally characterised as exchange behavior (Mathwick 2002).

Alternatively, Internet shoppers considered branding to be less important as detailed product information can be found on the actual web site (Donthu 1999). Participants mentioned product representations and information within sites as being important. Many participants said that what ended up at their home was not what they saw on the site. Therefore as there were inconsistencies between the literature and focus group findings, *brand strength* was added into the framework for the model.

Are there differences between looking for information between a service and product?

Participants liked to see a wide product ranges within e-tailer stores. One participant said, 'if I were in a traditional retail store, I would have choice. I want that in an online store as well ….. and, 'when I buy, I want the product that I bought to be the product that arrives.' Products and services offered need to be updated, especially if it is a store like www.disney.com. Goods and services had to be included in the framework because it was important to gauge what products and services lend themselves to being searched for, or purchased on the Internet.

Is information regarding price important? Price is important. Participants felt that prices should be lower on the Internet, and that E-tailers should be more price competitive. Participants shopped around for price within the Internet and non-Internet mediums, and then would buy from the cheapest outlet. This lends support to Pine and Gilmore's (1999) argument that there is an emphasis on lower prices. However, Pan et al (2002) find that pricing in an online environment was not particularly competitive, nor important (Donthu 1999), however price was important in this preliminary research. Additionally, data collected via a web survey after these focus groups were conducted found that indeed price was important. It is predicted that pricing and competition will intensify in the future (Smith 2002).

Participants who had purchased expressed price was not to be an issue, insomuch as they had built up loyalty with an etailer because they had delivered previously on such factors as quality, delivery and relevant experiences (Mathwick et al. 2001). Now the site was a frequently visited site. Repeat visits can drive future profits (Hof 2000) and loyal customers have a propensity to spend more and refer others (Lynch et al. 2001). Although, prior research has not found a correlation that high customer satisfaction translates into loyalty (Khatibi et al. 2002; Mittal and Lassar 1998; Elnan and Andersen 1999). Pricing and web site looks was found not to be an issue to participants, although web site ease was.

When searching for information is the search straightforward? All four groups agreed that when searching for information, the Internet was quicker than walking the high street. The Internet is user friendly to comparison shop (Markham 1998) and websites that were easy to manoeuvre and contained good quality product information with download time for images not long, were important factors. Many participants mentioned that the home page determined whether they stayed at or moved on to another site. This has been a challenge for marketeers (Rowley 2001), as getting users to stay at your site can aid in developing relationships which creates value and profit (Hanson 2000). Those websites containing free trials, virtual tours, games, video clips or photographs were found to be more beneficial. If individuals have prior experience with using the Internet, they are better at utilising a virtual experience (Carlson and Klein 2001) and those stronger consumer reactions occur from virtual experiences (Klein 2003). Personal opinions and product experiences found on Internet chat rooms are sources seen as being trustworthy, more relevant and more powerful than marketeer generated product information (Bickart & Schindler 2001). Word of mouth communication has long been seen as powerful (Katz & Lazarsfeld 1955; Whyte 1954).

Service encounters often provided focus group participants with pleasurable experiences. Often some they did not expect, and many comments centred on ‘when I was on the Internet I was totally absorbed’, ‘I lost track of time’ and ‘I was in my own zone’. Participants observed a loss of self-consciousness with attention being focused (Csikszentmihalyi 2000). Many participants thought that the idea of ‘spontaneous delight’ (Bitner et al. 2000) was the best way to want to return to a site. The interaction changes every time the user goes to the same web site, so, like a service experience, can be viewed as a sustained interaction (Stewart & Pavlou 2002). Customers are usually amazed when pleasurable, unforeseen things take place in an encounter (Bitner et al. 2000), so the focus should be on this interaction as a major communication form between consumer and company, enabling and enhancing loyalty after, the initial exploratory information search phase.

When searching for information is the search recursive and lengthy? Products and services can be sought in a wide variety of modes. If a users web search starts with an objective, in many cases ends up with the user finding alternative sources of information that may not have occurred in a traditional setting. Many of the focus group participants could be classified as undirected (browsers) and directed informational seekers, entertainment seekers and directed buyers (Lewis and Lewis 1997).

There is a high degree in the relationship between Internet shoppers and traditional retail shopping (CEMA; www.ce.org). Focus group participants often would search online for information, then search in traditional modes to compare price and other factors such as quality and delivery terms. The majority of online shoppers search for information online first, and their final purchase was in a retail store (cited in (McQuitty and Peterson 2000).

Participants in the focus group wanted information that was relevant and easy to find (Mathwick, Malhotra & Rogdon 2001). One participant stated, “I can easily find what I need in a ‘real’ store, I want it to be the same when searching on the Internet. I want to be able to be able to communicate with the site if I have to.” Many sites are promoting dialogue with customers in order to build relationships, and many sites encourage active participation try to build these relationships with reciprocity encouraged (McWilliam 2000; Matchwick 2002).

Improving site manoeuvrability was important as participants expressed their enjoyment levels decreased at sites that were hard to move around, confusing or slow at downloading. If a site is easy to use and users experience pleasure, the site is more like to be adopted for future usage (Teo 2001), as well as influencing computer usage (Davis 1986, 1989). Dimensions of e-service quality are beginning to be researched (Zeithaml, Parasuraman and Malhotra 2002); as the encounters are critical in aiding customers to develop impressions of the site, brand and company (Bitner, Brown et al. 2000).

After searching for information, what is the propensity that the consumer should purchase? Security and distrust were the major factors why they did not purchase. Many of the younger customers did not use the Internet for purchasing, as they had no credit facilities. Post sale terms were important to participants wanting to purchase. Revisiting the same site became a habit for some (Alba & Hutchinson 1987). If the site delivered on prompt service levels (ie enquires answered speedy and fast delivery) with quality goods, then price became irrelevant. Lower satisfaction levels causes a decrease in purchase intention and actual purchasing (Zeithaml et al 2002) and purchase intention is a measurement of website effectiveness (Luna, Peracchio & de Juan 2002). Price sensitive, bargain hunter type customers may be less loyal and more likely to go to another site next time they wish to purchase (Reibstein,2002).

CONCLUSIONS AND FUTURE RESEARCH DIRECTIONS

This research allowed discussion of the Internet and how consumers information search in-groups, allowing participants to openly discuss and communicate their ideas and opinions allowing insights into why people act the way they do (Morgan 1998). The investigation was exploratory and descriptive, true to discovery-oriented undertakings (Wells 1993). This research has also demonstrated that carefully planned focus groups can explore consumer’s attitudes and perceptions, gather efficient information for emerging issues such as Internet research. Overall, this research makes contributions that could lead to the development of conceptual frameworks for information searching on the Internet. Future research could verify whether consumer’s search strategies are changing from traditional methods as well as allowing more constructs to ascertain whether traditional consumer behavior search models could be applied to an online environment. Significant changes are taking place and emerging issues examined in this exploratory research need be explored further to serve as proposals for conceptual framework development.

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Table 1: Focus group participants used in this research – demographics and psychographic overview

No	Segment type	Demographic	Psychographic
25	**Young student**	• **age 17 – 24** • **male/female** • **not much income**	• **uses Internet for research** • **uses Internet for surfing** • **don't purchase because of trust factors** • **don't purchase because do not have credit card** • **Lurkers and Socializers**
8	**Older student/ young working adult**	• **25 – 34** • **male/female** • **low to moderate disposable income**	• **Internet banking** • **Surfing** • **Impulsive** • **Convenience seekers**
7	**Working adult**	• **35 – 44** • **45 – 54** • **male/female** • **dual and high disposable income**	• **Internet banking** • **Variety seekers** • **Convenience seekers**
4	**Retired**	• **55 – 70** • **male/female** • **Empty nesters** • **Moderate to high disposable income**	• **do not use Internet** • **booking travel, surfing** • **Lurkers and transactional community members (Mathwick, 2002)** • **Innovative**
44	**TOTAL**	**PARTICIPANTS**	

Source: developed for this research