EFFECTS ON CONSUMER BEHAVIOUR AFTER THE POPULARISATION OF THE INTERNET

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Abstract:
Internet technology has prompted significant changes in many aspects of human life and society as well as in shopping culture. An important phenomenon, surrounding the human life as a continuum, is shopping through the Internet or e-commerce. Shopping through the Internet has interconnections with many disciplines such as law, economics, psychology, and marketing. Many academicians, researching in various disciplines, studied this issue, which is a dynamic field of study. However, the case is this, we can say that the studies about the reasons for shopping through Internet by the consumers are very new and few in number. Shopping through the Internet involves social, technological, economical, behavioural, and educational dimensions. There are many prior factors behind shopping through the Internet by the consumers. This study presents a theoretical explanation for online consumer behaviour.

Key Words: E-Commerce, Shopping & Technology

Introduction:

According to Nielsen (2012) research, one-third of the world's population is online, an increase of 528% over the past 10 years. While Internet penetration rates vary by geographic region; North America (79%), Australia/Oceania (68%), Europe (61%), Latin America (40%), Middle East (36%), Asia (26%), and Africa (14%), these rates continue to climb steadily. The Internet is the primary source for information research and has significantly affected the dynamics of business, both in terms of innovation and increased sales. The U.S. Census Bureau e-stats Report released May 27, 2010, revealed that U.S. retail e-commerce sales were $142 billion in 2008, a gain of 3.3% from the previous year. For the first three quarters of 2011, U.S. retail e-commerce sales amounted to $135.9 billion. Marketers and researchers have examined the behaviour of online consumers. In particular, how do demographics and psychographics play a part the pre-purchase information search? (Zayer & Coleman, 2012) Connected devices, such as computers, mobile phones, and tablets have become a way of life for many. But customers are digitally engaged to varying degrees, depending on the products they buy. It is important to understand the behaviour of consumers toward online shopping. Therefore, online shopping environments are playing an increasing role in the relationship between marketers and their consumers (Hsieh& Liao, 2011).

Theoretical Background for Online Consumer Behaviour:

Internet shopping action has theoretically been studied based on the axis of the theories relating to "innovation adopting." It can be thought that shopping through the Internet is post-learned and therefore an innovation. What variables play roles for the consumers in adopting this innovation? Based on the axis of willingness or unwillingness for shopping through Internet, the aim of this study is to reveal the reasons of the differences observed among the consumers in terms of willingness for shopping. This is a review examining Internet usage, and more specifically shopping behaviour highlighting consumers' motivations and behaviours. There is neither a theory that fully explains the reasons why consumers shop on the Internet nor a common ground the researchers can agree. Why do consumers prefer online shopping to traditional shopping? Why do some individuals utilise online shopping more than others? Is there a difference between those who make online shopping intensively and those who make traditional shopping? Which factors are important in consumers' decisions to shop online? The difficulty of not being able to explain the online consumer behaviour by a single theory can be better understood considering these questions in general.

Evolution in Information Technology:

The Web was first introduced by Tim Bruners-Lee in 1989 and is by far the largest transformable-information construct. Since 1989, there have been remarkable improvements in the Web and related technologies (Getting, 2007; Boulos and Wheeler, 2007). More specifically, the advent of Web 2.0 has redefined marketing roles to those that were more customer-centric. According to Berners-Lee, Web 1.0 was a read-only web and a system of cognition (Getting, 2007). At that point, the main goal of websites was to make information readily accessibly for anyone and establish an online presence (Aghaei, Nematbakhsh and Farsani,

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2012). Unlike Web 1.0, Web 2.0 is far more interactive and participative as users are now allowed to create, upload and share content. Web 2.0 hosts platforms where users can express themselves freely with no restraints. Some examples would include blogs (online journal entries), web mashup (combined information and services from multiple sources), and Wikis (Free access to edit information on a webpage). In this Web 2.0 reality, in particular with the advent of social media sites such as Facebook, users form communities, create, and share content across multiple platforms at an alarming rate (McIntyre, 2013). With access to such rapid and multidirectional flows of information, consumers can now make more informed decisions, which ultimately influence their behaviour.

Essentially, the differences in Web 1.0 and Web 2.0 are pertinent to the changes in consumer behavior, as enhanced user participation would empower consumers in internet marketing (Labrecque, Esche, Mathwick, Novak and Hofacker, 2013).

User Generated Content:

In the Web 2.0 realm, online brand communities including social-networking sites have mushroomed and sustained the development of user-generated content (Gangadharbatla, 2008). User-generated content (UGC) has also been a key driver for not only brand conversations but consumer insights as well. With the continued growth of online participation in content creation and sharing, consumer empowerment in internet marketing comes into play as consumers are now able to exert greater influence over products and brands (Jevons and Gabbott, 2000; Riegner, 2007). As a result, a shift from a conventional publisher-centric media model to a more user-centric model can be observed. However, it does not stop here. When consumers generate content about a brand regardless of intent, this brand-related UGC amplifies the impact that UGC has on brands and consumer-based brand equity, which will be further discussed later in the paper.

Changing Consumer Perceptions and Behaviours:

Web 2.0 has profound implications for consumers. In contrast with consumers 10 years ago, consumers today are able to access word-of-mouth recommendations and reviews, and easily become digital producers. With this ease in accessibility, consumers are more empowered to provide constructive advice on the credibility of a product or service (Veer, 2011). Furthermore, in today's context, consumers would rather trust advice from their communities as compared to a marketer's pitch. Consequently, as consumers distrust marketers, brand supremacy and brand loyalty degenerates (McIntyre, 2013).

Consumer empowerment is activated and enhanced by marketing efforts that serve to satisfy consumer needs and wants especially within the Web 2.0 era (Wright, Newman, and Dennis, 2006). Undeniably, consumer empowerment is not objective but subjective. A study has shown that there are three main influences on a consumer's subjective empowerment experience: 1) the ability to dictate the features of the choice set; 2) progress cues in the consumer purchasing process; and 3) information on other consumers (Wathieu et al., 2002). Essentially, UGC enables consumers to connect in new digital realms (Harrison, Hunter and Waite, 2006), making them feel empowered and allowing them to define brand values based on their own perceptions (Christodoulides, 2009).

Capitalising on Changing Consumer Behaviour:

The proliferation of the Internet has been the single most critical catalyst in the power shift from marketers to consumers (McIntyre, 2013). Consumers are now actively seeking value in low cost purchases and brands are being commoditised, which ultimately pose as a greater challenge to the modern marketer. Furthermore, Marshall McLuhan suggested that the power of words no longer lies in the medium, but in ways the medium is used. In fact, most marketers have started rebranding their businesses, channeling their resources into building interactive relationships with consumers in online communities rather than pushing media campaigns.

Establishing an Online Presence:

In the past, the company initiates interaction between the company and consumers through market research and advertising. However, at present, the internet has empowered consumers by making it convenient to contact the company to gather more information on their products or even purchase them within the comforts of their home at any time of the day. This ultimately led to the advent of internet search engines and directories, which facilitate consumers' desires to gather important information on products of services before purchasing them. As such, in today's context, it is important for marketers to ensure that they establish an online presence on the web through search engine optimisation tactics and an easily navigable and accessible website.

Managing Customer Relationship:

Establishing good customer relationships never stops at clinching a deal on an excellent product; it has to be coupled with excellent after-sale service as well. The internet has made such a practice even more essential today. Chat rooms, reviews box and other internet media have accelerated the feedback loop on products and its complementary after-sale service. This has made it easier for consumers to access information on the quality of the product or service posted by communities and to make more informed decisions. As a result, an effective feedback system has to be put in place to manage negative social response or feedback before word spreads and undermines the credibility of the brand. It is especially crucial in today's context to provide prompt service

recovery because negative feedback travels farther than positive ones in the cyber world (Sridhar and Srinivasan, 2012).

Increased Customisation in the Product Offering:

Having realised the importance that consumers ascribe to personalised or customised offerings, marketers should abandon mass marketing, which was popular within traditional media practices. However, in the Web 2.0 era where consumers value quality customer relationships, marketers prefer diversified advertising, as greater returns can be translated from these relationships (Anderson, n.d.). Marketers are now able to use technologies such as Ad Exchange and Demand Side Platform to ensure that their targeted market segment receives their customised messages.

Brand-Related UGC:

Recent studies have shown that brands that encourage UGC can create relationship-building opportunities with consumers (Christodoulides, Jevons and Bonhomme, 2012). Yet brand-related UGC is a Janus-faced strategy. On the flip-side, negative UGC can have adverse implications on enhancing and sustaining a brand's equity, especially since consumers place greater credibility on UGC than professional content (Cheong and Morrison, 2008). A recent study suggests that involvement with UGC can have a positive impact on consumer-based brand equity, since there are more than twice as many brand-related searches on social-networking sites that relate to UGC as compared to marketer-created content (Christodoulides, Jevons and Bonhomme, 2012). For successful brand marketers, these findings strongly support a change towards a more participative and interactive approach and provide an indisputable basis for a brand manager to engage in UGC (de Chernatony and Christodoulides, 2004). Ultimately, successful brand managers have to review the ways in which they can better manage brand-related UGC so as to simultaneously grow their brand equity as well.

Multi-Channel Strategy/ Cross Channel Advertising:

As consumers continuously search for new information, marketers face the challenge of continuously catering to that need by using the right format, scope and tone (Anderson, n.d.). Therefore, it is crucial for marketers to develop an open-source content in order to ensure that messages are syndicated and integrated with online channels through links. Today, marketers aim to foster close relationships with their consumers and to build brand loyalty by offering insights on consumers' pressing concerns on blogs. In fact, according to the HubSpot State of Inbound Marketing Report, B2C companies that maintained a blog generated 88% more leads per month than those who did not.

Furthermore, with information easily accessible and shared among consumers, marketers should be more conscious of their different channel offerings. Especially with internet comparison sites and consumer chat rooms, the required information that consumers demand can be easily accessed. As such, marketers must be aware that it would not be easy to execute differential pricing in different channels without an influx of purchases, consumer confusion or dissatisfaction (Laroche, Kiani, Economakis and Richard, 2013). Since the consumers expect consistency, a successful marketer has to establish an effective multi-channel strategy rather than leaving it to chance.

Inbound Marketing:

Ultimately, it would be essential for marketers to engage in in-bound marketing by supplying value laden-content, such as White Papers and infographics, so as to enter consumers' inner circles (McIntyre, 2013). By this strategy, marketers would be able to tap on privileged and personal information about their consumers and thereby redefine their targeted market segments, determine valuable leads and better tailor their messages and products.

With technological evolution, business intelligence, and predictive analytics, Customer Relationship Management systems and other software applications and programs can facilitate this new marketing approach. This technological support allows marketers to quickly sort, analyse and translate the variety of data that consumers have accessed into more accurate results on consumer preferences. Therefore, marketers should consider employing these technologies when formulating an effective marketing mix.

Issues for further research:

Given the complex, dynamic and continuously evolving character of the Internet is obvious that the Web experience is an issue with a multi-faced and dynamic character. New methods, technologies and tools for enriching and enhancing the online experience are frequently emerging as a result of technological advancements, market trends or as a response of Web vendors to the changing online population. Analysing the structure and dynamics of the Web experience goes beyond the scope of this study but some questions requiring further research have been already mentioned in this paper. A summary of the most important ones:

- What is the exact role and weight of the Web experience elements as influencers of the buying behaviour and what Web experience elements are crucial for the different stages of the online decision making process?
- What is the influence of the Web experience elements on the shopping behaviour of new or returning customers?
- What Web experience elements are important for different types of Web sites?

Last but not least, considering the dynamic character of the virtual marketplace, it is necessary that research attention should be focused on the way technologies delivering new forms of communication, interaction and virtual experience affect the needs, perceptions, attitudes and buying behaviour of online consumers.

Conclusion:

In a nutshell, the evolution of the internet has fundamentally changed how consumers perceive brands as well as purchase goods. There is a clear power shift from the marketer to the consumer, as the consumer is empowered to make informed decisions based on information the internet provides easy access to. With consumers becoming co-creators, marketers should adopt a more participative, personalised and user-centric approach in order to succeed. Marketers should pay attention to developing positive brand-related UGC in order to establish their brand and grow their brand equity. Building conversations around their brand is also essential in establishing credibility in our tech-savvy age. Nonetheless, despite the growing obsolescence of the traditional marketing approach, online and offline marketing should not be isolated but considered as a mixture of both inbound and outbound marketing when one is formulating a multi-channel strategy. Traditional marketing approaches possess the potential in garnering reach and influencing consumer perceptions and thus-should not be ignored or neglected. Furthermore, there will always be differentiated consumers and the possibility of repurposing old systems. Even though the means of marketing has evolved along with technology, the role of marketing still remains the same. Its aim in fostering quality customer relationships will definitely drive its function to positively correlate with the changing behaviours of its consumers (McIntyre, 2013). Projecting into the next five years, establishing marketing-tech teams may be necessary to tackle the challenge information technology poses to marketing's form and function.

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