

Consumer Behaviors and Factors Affecting Online Buying Behaviors of University Students in Digital Disruption Era

Bampen Maitreesophon

Assistant Professor (Ph.D), Faculty of Communication Arts and Design,
Stamford International University
bampen.maitreesophon@stamford.edu

Abstract

The Digital disruption era and advance communication technology emerging lately had more impact on the way of doing business. Company strategies and method of doing business are changing to match with the changing of customers' demands. Customers today prefer faster in service and better in quality but cheaper in price. New business model such as online store where online sales volume is driven by modern technology can fulfill with the demands of customers in disruption era. Research results showed university students found fast and convenient for buying online products that fashion items were on the top list followed by health and beauty products. Good time for surfing online stores was during 6.00 – 10.00 p.m. University students made decision to buy online products by themselves. Each order was 1,000 Baht or lower and payment made through bank transfer. Product and Place factors had more influence on buying decision than Price and Promotion factors. Male and female students had no significant difference in online buying behavior. But students with different ages and income rates had significant differences in online buying behaviors at 0.05 level of significance.

Keywords: consumer behaviors, factors affecting online buying behaviors, digital disruption era

1. Introduction:

The emerging of new media advertising and digital innovations in the digital disruption era today such as hi-tech mobile phones, Hybrid cars, electronic tickets, smart-home gadgets, digital devices, techniques, and designs have created an abrupt change to people way of life and also to the methods of production goods and services in business sectors. The world traditional marketing yesterday has to improve its ways of doing marketing movements to survive in the digital marketing era where sale force is driven by modern technology and innovations. A new paradigm of marketing platform, from traditional marketing to digital marketing strategy, is a phenomenon of business movements adjusting to the new world. People may have to stop working fulltime someday to obtain new skills in order to survive in the world of new and unfamiliar devices controlled by intelligent computer systems. We all now are living in the sphere of digital and social media that the majority of people are dependent on online interaction.

We have changed the way we so shopping, at this moment in time, we can either buy things we need from online store at early morning without taking a shower or simply buy some grocery in the middle of the night in old pajama instead of going out to retail store down town and being stuck in heavy traffic. Online store is an electronics commerce shop that allows customers to purchase products and services via internet or web browsers at any time. People found online shopping make their life easy (Anamika S., 2017: online) and simply. Online shops help busy people, who do not have time or tolerance to wait for a long line at the checkout counter, to have things they need. People nowadays can browse more information they need to

know, without difficulty, from internet or from other social media platforms. They can even read online product reviews posted by other consumers before making decision. In addition, they can post their feedback sharing their moods after consuming those merchandizes on that platform. It can be said that we simply buy anything we need from online stores at anytime, anywhere, or any day by just having a mobile phone in hand.

The modern communication technology today has influenced people lifestyle and ways of life as we can see numbers of new media advertisement via YouTube and other online platforms are launching in every single minute. As number of hours people spend on social media is surprisingly increasing (Evan Azano, 2017: online), marketers in the digital disruption era use this fact to create their marketing campaign and advertisements run on internet platform to suit with each customers' group. New contents added in online advertisement and new online channels to communicate with potential customers are creating. Significantly, consumers in the digital disruption era are worth more than product buyers or consumers; they can be active promoters to help increase sales volumes of satisfied products by writing comments, giving feedbacks over online channels. Thus, all marketers in manufacturing companies in the disruption era need to use various but effective online channels plus digital marketing strategies to promote their products to customer and to learn to know their target group of customers' behaviors in order to increase their sale volumes.

Results from a study of buying behaviors and factors affecting online buying behaviors of university students in digital disruption era will be a practical guideline for online stores and business sectors to produce products and services respond to this group of consumers' needs, as they are quite a big group of consumers. Furthermore, research results also help online stores to plan for their marketing campaign and social media management.

Research objectives:

The research aimed at studying and comparing consumers' buying behaviors and factors affecting online buying behaviors of university students in digital disruption era.

Definition of Terms:

Consumer Behaviors refer to customers' decision making, choosing, selecting, buying, and consuming product or service to fulfill with their needs.

Digital Disruption Era refers to period of time the revolution arises because of the emerging of innovations and new digital technologies that affects people way of life or the methods of doing business.

Facebook Store refers to an online store that is free and allowed its members to buy products or services directly on Facebook.

Factors Affecting Online Buying Behaviors refer to factors influencing consumers' online buying behaviors in four dimensions: Product, Price, Place, and Promotion.

Online Store refers to any kind of social networking websites or applications that sell products and services.

University Student refers to students enroll in any university located in Phetchaburi Province for a bachelor degree level at the time of conducting research.

Scope of the research

1) This research is limited to study consumers' behaviors and factors affecting online buying behaviors of university students who are currently pursuing bachelor degrees at any university in Phetchaburi Province.

2) The consumers' behaviors in digital disruption era focus on 1) product category, 2) buying frequency, 3) buying reason, 4) convenient time of buying, 5) amount of money spending each time, 6) buying decision, and 7) payment method.

3) The factors affecting online buying behaviors of university students focus on four dimensions: product, price, place, and promotion.

2. Literature Review:

Consumer behaviors

Consumer means any individuals, groups, firms, institutions, or organizations who buy products and/or service from market or any other place where those products or services available. It includes persons or organizations that associate, dispose, and use products and services. A study of consumer behavior is the study about how persons or groups choose and use products and services. Marketers of product manufacturers need to understand their customers and customers' behaviors before producing products or services to fulfill with customers' needs. Consumer decision making may involve with many different factors for example: personality types, ages, lifestyles, social status, family status, motivation, culture, subculture, innovation, attitudes. It is necessary to understand consumer behaviors, consumer types we are targeting. Understanding consumer-buying decision or customer behavior will help us to understand factors that influence the target group, especially when launching new products or services (Daniel Long, 2017: online).

Kit Smith (2016: online) suggested marketers and manufacturers to ask these questions and get the answers before producing or launching new products: how customers think and feel about other choices, what reason why customers choose different alternatives, customers behavior while shopping or researching, how consumers are influenced by their environment, and how marketing campaigns influence customers?

Digital Disruption Era in the Higher Education

Digital disruption or digital interruption or disturbance refers to period of time the revolution arises because of the emerging of innovations and new digital technologies that affects people way of life or the methods of doing business. The competition between each business is very tough due to the changing of customer demands. Customers in digital disruption era require cheaper but faster or better in quality. Textbook, channels of teaching methodology and activities can be delivered via new technologies that students can learn and access from anywhere and anytime. Students in digital disruption era can obtain their degree while working. Numbers of blended learning course and full online course are launching. The disruption of digital world impacts on how universities delivery their education as well as the way how students learn and spend their lives.

Factors Affecting Online Buying Behavior

Consumer buying behavior is everything related with customers' moods and emotions. Consumers may begin by asking themselves whether they should buy that products or services or not, do they really need that product? And when they make decision to buy it they may ask themselves more questions such as where do they want to buy; from the retail shop or online store?, how much does that product cost?, is product worth its price?, etc. Consumers' buying behavior can easily change depend upon many factors involved in buying decision for instance social factor, economic factor, personal factor, and etc. The digital disruption era is emerging where numbers of modern communication technology devices and innovation are invented. These innovations are totally changing people's lifestyle that create a boom of online stores where people can order any kind of products and services with their mobile phone in hand.

In this study, factors that affect online buying behaviors of university students in disruption era will focus on the basic marketing mix strategy introduced by E. Jerome McCarthy, which is summarized as follows:

The Basic Marketing Mix Strategy (4Ps)

It is about 55 years ago since E. Jerome McCarthy, an American marketer, had introduced the four P's Marketing Mix Strategy to the business world (McCarthy, 2018: online). This basic but classic core-marketing concept is still known as one of effective marketing strategies for modern business society. McCarthy used four words starting with letter "P" to help people recognize and understand those terms easily. Price, Promotion, Product and Place, all terms begin with "P". The first P is product that covers both physical products and services. The second P is Price that means cost for buying or consuming products or services. The third P is Place refers to place, location, or distribution where customers can buy products or services and the last P is Promotion that covers all communication activities includes PR and advertising, and marketing campaigns company use to communicate with its customers includes PR, advertising, sales promotion, etc.

Social Media, the Great Customer Service Platform in Disruption Era

The world is on the completion of transforming into the digital disruption era, which internet or online activity has swung people everyday life. People life styles are also changing and adapting to cope with the digital society. People daily life today are relying on social media in one way or another where internet is one of fast and convenient communication platforms. Internet can help making people' lives easier that they can absorb numbers of advantages from shopping over online shop. Anamika S. (2017: online) pointed out that people prefer to buy merchandize online than going to store serviced by the conventional method of buying. Major business marketers take advantages of digital marketing era, that people spend a great amount of time a day surfing internet, by creating social media platform to satisfy their potential customers.

According to Evan Azano (2018: online), teenagers spend up to nine long hours working and playing with internet, while other people spend almost two hours or 116 minutes a day on social media. Azano also helped us to have a clear picture on how people spent on social media in a lifetime, for instance, people spent 1 year and 10 months on YouTube, 1 year and 7 months on Facebook, and 8 months on Instagram. Time spent on social media of people have made sudden and unexpected drive to business. As we can witness sales revenues of popular online stores such as Lazada, Looksi, Shoppi, Cmart, etc., sale volumes of these online stores are unbelievably increasing every year.

3. Research Methodology

Population and Samples: The population of this research were university students studying a bachelor degree at University in Phetchaburi Province. A convenient sampling method is applied to collect data from 400 students.

Research Tools: Questionnaire, as a tool of research, was constructed respond to research objectives and theory from literature review part. The questionnaire composted of three sections: Respondents demographic or personal data, respondents buying behaviors, and factors affecting online buying behaviors. 400 sets of questionnaire were distributed to sample groups and were collected during December 2017 and February 2018. Collected data were carefully treated by using descriptive statistics and a statistical package for the social sciences (SPSS) program.

Research Findings

The research aimed at answering buying behaviors and factors affecting online buying behaviors of university students in digital disruption era, which the research results were summarized as follow:

1) Respondents Personal Data:

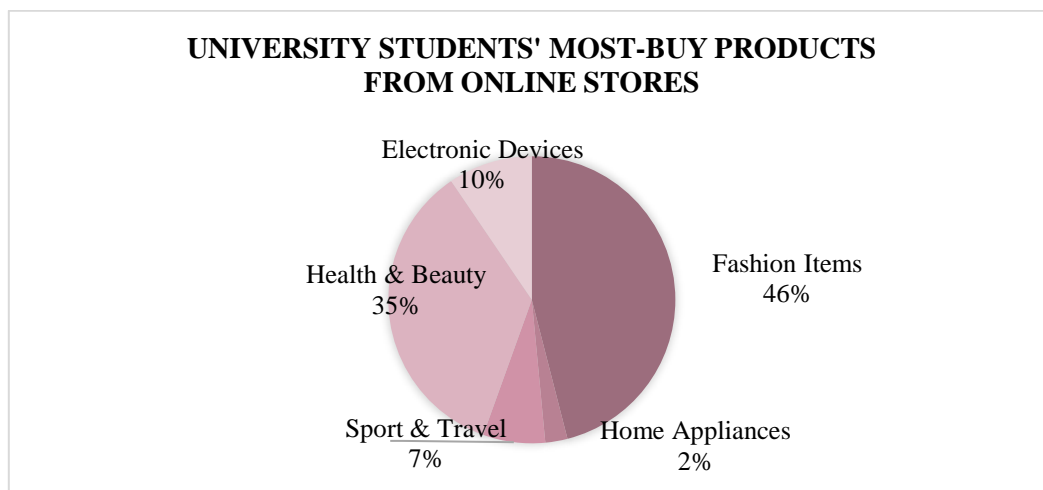
The findings revealed that the majority of respondents responding to this study were female university students (54.50%), aged 18-21 years old (60.00%), were studying on third year (32.50%). An average income earned per month was between 5,001 – 10,000 Baht (39.00%) and lower than 5,000 Baht (35.50%). Parents were major supporters for university students’ expenses (79.00%). Only 3% of university students responded to the study relied on a student loan program.

2) Buying Behaviors:

Research results showed that the top two popular merchandises university students, which mostly like to buy from online stores, were fashion item (46.00%) and health and beauty product (35%). Convenient time to search product details and place orders was during 6.00 – 10.00 p.m. (49.50%) or after school and from 02.00 - 06.00 p.m. (21.50%). There was only 5.5% of university students checked out at online stores during 06.00 -10.00 a.m.

University students found fast and convenient to buy things from online stores (44.50%). In their point of view, it was convenient to buy and try trendy and imported products from online stores. About 8.5% of students bought items from online store because they wanted to try them. No person or thing influenced university students in buying decision but his or her own decision-making (79.00%).

Product cost by order was 1,000 Baht or lower (48.50%) and 1,000 – 2,000 Baht (27.50%). About 12.50 % of university students bought 2,000 – 3,000 Baht per order and 11.50% bought more than 3,000 Baht per order. Major payment method was made through bank transfer (71.50%). Only 7 % of students paid by credit cards. A Chart below showed university students most-buy online products



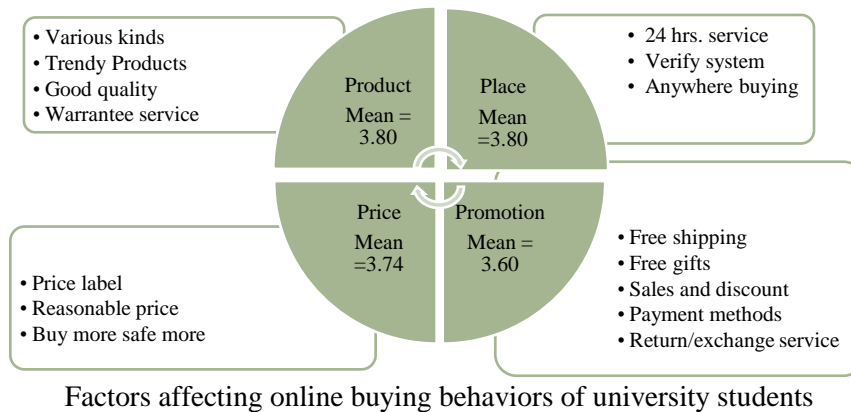
University students’ most-buy products from online stores

The bar chart presented above showed that the most popular online products university students usually ordered from online store were fashion items (46.00%) and health & beauty products (35.00%). Products in sport & travel, home appliances, and electronic devices categories were ordered around 10 % or less.

3) *Factors Affecting Buying Behaviors:*

As mentioned earlier, this research focused on four dimensions: Product, Price, Place, and Promotion (4Ps) that affected on online buying behaviors of university students in digital disruption era. From the study, it found all four factors affected university students at a high level with an average mean of 3.74.

Among four factors, Product and Place got the highest level (mean = 3.80), followed by Price (mean = 3.74), and Promotion factor (mean = 3.60) respectively. A chart presenting factors affecting online buying behaviors of university students was shown below.



From above chart, factors most affected on online buying behaviors of university students were product and place (mean = 3.8). University students preferred having various kind of products to choose and shop online especially trendy products with warrantee service. Besides, they found fast and convenient for buying online products anytime and anywhere as they wish.

Price and promotion factors also influenced on buying behaviors of university students at mean average of 3.74 and 3.6 respectively. It was easy for university students to make decision for items that showed price label in a clear way. For promotion factor, university students were satisfied with free shipping and handling service. They also preferred products with a gift campaign.

4) *Hypothesis Testing*

One-way analysis of variance (ANOVA) was applied to test the research hypothesis. The testing revealed that university students with different genders had no significant difference on online buying behaviors. On the other hand, university students with different ages and monthly income rates had significant differences on online buying behaviors at 0.05 level of significance. Table below showed hypothesis testing results comparing between groups of university students with different genders.

Table 1: The results of t-test to compare the difference in online buying behaviors between male and female students

Factors influencing Buying Behaviors	Mean Average		t-test	Sig
	Male	Female		
Product	3.87	3.74	1.76	0.08
Price	3.81	3.69	1.23	0.22
Place	3.79	3.79	0.03	0.98
Promotion	3.63	3.58	0.41	0.68
Overall	3.03	3.70	0.86	0.49

Table above showed there was no significant difference between male and female students in online buying behavior at the significant level of 0.05.

4. Conclusion and Discussion

From research results, the top two online product categories university students mostly bought were fashion and health and beauty items. They preferred having more variety of trendy products with good quality and warrantee service to choose. They also found fast and convenient when buying from online store. In addition, we all witness the fact that, in the digital disruption era, the lifestyle of today customers are almost totally changing. They are busy with work and personal activity and spend much more time interact with social media. People, in general, spend more than two hours a day on online activities, while teenagers spend up to nine hours a day on social media platforms (Evan Azano, 2018: online). They – not to shop at department store but at online store with fast convenient and secured. (Zhang Tao, 2017: online).

In summary, university students in the digital disruption era found fast and convenient to buy products from online store. They preferred variety of product types with competitive prices. Product with gift campaign and a warrantee service was attractive to this group of consumers. Fashion and health and beauty products were undoubtedly on the top lists among university students. Buying online product was not only convenient and secured for everyone included university students; it was a modern store where consumer found a better price and got more variety of product choices with no crowds. Likewise, online shopping made busy people' lives easy (Anamika S., 2017) in this digital disruption world.

5. Recommendations for Future Research

As we can see, digital disruption had more impacts in the way of doing business and education. The rapid change of new technology have affected people and students ways of life. Research results showed teenagers or young adults spent numbers of hours a day searching and playing on internet. New technology could help university students to study, do a research, send homework, buy products, listen to music, watch TV, play games, or do their activities suit to their needs. Students could simply do their work, study, or communicate with family and friends from home or dormitory via mobile phones. Major mobile phone companies endeavor every possible ways to launch attractive campaign suits to each group of customers. The higher educational institutions in Thailand and abroad also come up with interesting blended programs or full online courses to meet with the demand of these groups of students.

However, due to the limitation of this study and time constrains, it would be more practical to study further online buying behaviors with students in different levels and different provinces. Future research may help online stores to have clearer picture of what are online buying behaviors of university students.

References

- Alvin, B. and Bush, R. (2005), **Basic Marketing Research: Using Microsoft Excel Data Analysis**, Upper Saddle River, NJ: Prentice Hall.
- Anamika S. (2017). **Online-shopping benefits**. Retrieved on February 27, 2018 from <https://toughnickel.com/frugal-living/Online-shopping-sites-benefits>
- Armstrong G., Kotler P. and Cunningham Peggy H. (2005), **Principles of Marketing, Seventh Canadian Edition**, New Jersey: Pearson Education, Inc.
- Berry Driessen. (2017). **Three Ways Education is being Disrupted by Digital Technology**. Retrieve on April 29, 2018 from <https://www.digitalpulse.pwc.com.au/three-ways-education-disruption-digital-technology/>

- Daniel Long. (2017). **Different types of consumers**. Retrieved on February 14, 2018 from <https://toughnickel.com/industries/Types-Of-Consumers>
- Evan Azano. (2017). **How much time do people spend on social media?**. Retrieved on February 12, 2018 from <https://www.socialmediatoday.com/marketing/how-much-time-do-people-spend-social-media-infographic>
- Kit Smith. (2016). **How to Understand and Influence Consumer Behavior**. Retrieved on February 27, 2018 from <https://www.brandwatch.com/blog/how-understand-influence-consumer-behavior/>
- Lesslie H. Moeller, Nick Hodson, and Martina Sangin. (2017). **The Coming Wave of Digital Disruption**. Retrieved on April 29, 2018 from <https://www.strategy-business.com>
- Monarch University (2016). **Education in the Age of Disruption**. Retrieve on April 30, 2018 from <https://www.monash.edu/about/structure/senior-staff/vice-chancellor/profile/vice-chancellors-speeches/education-in-the-age-of-disruption>
- McCarthy. (2017). **Marketing mix 4P's by McCarthy**. Retrieved on February 16, 2018 from <https://www.toolshero.com/marketing/marketing-mix-4p-mccarthy/>
- Satayu Thongjad, Kittipong Sapprasat, and Phudit Puechthong. (2018). **Shopping Behaviors via Facebook of University Students in Phetchaburi Province**. Undergraduate Unpublished Report, Stamford International University.
- Zheng Tao. (2017). **Marketing Mix from 4ps to 4 Cs**. Retrieved on 9 February 2018, from <https://medium.com/@zhengtao/basic-marketing-theory-from-4ps-to-4cs-5864ed61818a>