Research assignment

Master in Management

Buying online vs. buying in physical stores.
Comparative study.

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Content

1. Introduction
   1.1 General objective
   1.1 Specific objective
      1.1.1 Analyze consumer interest in traditional purchase and online purchase and to find reason why people chose particular way of doing shopping.
      1.1.2 Analyze the most popular channels of online sale and determine if people are satisfied with online shopping in general.
      1.1.3 What products are people buying online and which one in physical store and if online and social media advertisement encourage people to buy online?
      1.1.4 If people use mobile application to buy online and are they feel secure about keeping their personal information by online shops.

2. Study Justification

3. Theoretical foundation
   3.1 Change In decision making process
   3.2 Evolution of the purchasing process
   3.3 Statistics concerning internet users
   3.4 Types of online shops
   3.5 Methods and tricks of online selling
   3.6 Influence of social media on the successful online selling

4. Methodology

5. Analysis and discussion of results

6. Conclusions and suggestions for future work

7. References

Annexes
1. Introduction

This study is carried out as a Research Assignment under supervision of Professor Luciano Kingeski at the University Politecnica de Catalunya. This project is a part of mobility semester during the Master Studies at Technical University of Lodz. The goal is to learn behavior of Spanish and Polish students in order to compare attitude to online and physical shopping in this two countries.

The development of the technology and the internet provides good opportunities to the seller to reach the customer in much faster, easier and in economic way. These days online shopping is getting on popularity and becoming more common among all the generations. Millions and millions of people around the world shop online. As a consequence retail markets are in the decline and need to put more effort to keep their customers. Nevertheless the form of purchasing in the physical stores is know by customers for ages and despite of changes many people chose this method. Buying offline enable customers to examine the products before making decision about purchasing and hold the possession of the product just after the payment. However sellers need to be very cautious and think about clients because nowadays the customer's loyalty depends upon the consistent ability to deliver quality, value and satisfaction.

Even though a lot of people chose online method of purchasing it does not mean that they do not go to traditional shop. Usually many of them go for both kind of shopping. Due to this the focus of the study is to know how the consumer is making a choice to shop on internet and at the traditional stores. It seems to be obvious that online shopping is easier for the customers and usually cheaper than traditional shopping. Nevertheless, sometimes in this competitive world it only serves as a medium which is used to make a final decision. Basing on this consumers are deciding on the channel which suits their needs and wants the best and which provide the complete satisfaction.

Online shopping would be impossible without popularization of Internet and technology development. Internet nowadays is common in every European household and serves people for many different activities. According to the
European statistics one of the most popular mobile Internet activities are e-mailing and searching information concerning goods. In 2018, 86% of European aged between 16 and 74 have sent and received private e-mail at least once and 80% of them have ever searched for information. The similar situation occurred for reading online news, newspapers and magazines: 70% European citizens at each age read information online. The difference in age can be observed for communication activities as social networking and video calls. 88% of youths at age of 16-24 were using internet for networking in comparison to 38% among people aged 55-74. The similar situation is observed for communication online. 54% of people in age group 16-24 were using internet for video calls and telephoning compared to 30% for the age group 55-74.[1] Last, but not least, in 2018, 69% of internet users in the EU shopped online. This time 73% of young people (16-54 years) were purchasing online whereas at age 55-74 the percentage of online shopper was 55% [2].

Having information concerning internet usage and online shopping for Europe, more detailed comparison of Poland and Spain can be performed. According to the CBOS research (Polish Public Opinion Research Center) from 2018 more and more people in Poland are using internet. It is indicated that two thirds of adults in Poland use the internet at least once a week (66%) and from this number 51% of people bought at least one thing online. As a comparison in 2002 only 17% of people were using internet. [3] In the Spain 97% of 16-24 years old and 93% of 25-34 years old is using internet. Even among people between 45-54 and over 55 the internet usage is indicated as 85% and 81% respectively. Considering citizens at every age, 81% of people from the oldest group are shopping online to 97% among the youngest group. It is showing that almost everyone in Spain is buying online so it creates a great opportunity for online sellers [4].

Social media can be considered as a medium which help to skyrocket the selling via internet. They have grown enormously since their inception and influence highly on marketing as well. According to Kumar and Bezawada (2015), the value of social media advertising worldwide reached $17.74 billion in 2014, what consists a notable jump even comparing with the year before when it reached $11.36 billion [5]. Driving the sales is not only advantage of social media, what is more they provide source of marketing intelligence,
especially when interactions between companies and social media users offer insights for product marketing. Trusov, Bucklin and Pauwels (2009), noticed that referrals on social media network sites have longer carryover effects than traditional advertising [6]. Accordingly, social media platforms are integral to the strategies marketers use to develop and enhance their integrated marketing communication programs, particularly due to connectivity features that enable to companies to talk with their customers and customers to talk with one another [7] (Hanna, Rohm & Crittenden, 2011; Mangold & Faulds, 2009). Consumers increasingly use digital media to research for products and services but also to engage the companies from which they buy, and other consumers who may have valuable insights as well.

Usage of social media is increasing from year to year. According to the research performed in January 2019, from 4 388 billion internet users, 3 484 billion of them are active social media users [8]. Nowadays the main social media traffic is performed via mobile devices (52%) but desktop remains in second place with only 43% of device share to all web pages. The number of people using social media sky rocket in the whole Europe. Annual growth of social media users in Poland in 2018 was 13% whereas in Spain it was 8%. The most popular platforms are Facebook, Twitter, Instagram and Snapchat. All of them are taking advantage of being responsive, offering promotion, providing educational content and sharing interesting visuals. Some studies examine the engagement of social networks taking into consideration time spent on the platform vs reach among the millennial demographic. It appear that Facebook is still the leader but Instagram and Snapchat are the best in terms of monthly usage per visitor.

Petter Bae Brandtzæg and Jan Heim performed study to learn for what purpose people use social networking sites. The first three reasons were: making new relations, keep contact with friends and generally socializing with community. The forth reason was searching for information what is taken as an advantage by businesses to present their offer.
1.1 General objective

Many factors can influence decision about purchasing a product. It can depend on the category of product which the people are going to buy or the context in which the people are in the particular moment, outside factors like recommendation or advertisements which surround them everywhere or security and convenience reasons. Some purchase are made to fulfill basic needs like food or hygiene products and they are made more often whereas some products are buying for entertainment or pleasure and the process of buying it is important as well. Nevertheless each purchase, from the most simple one to the most sophisticated, need some decisions to be made and there are many factors which drive customers decision. That is why the purpose of this work is to understand this factors and verify if there is relationship between the internet and mobile application access and popularity, peoples attitude to online sale and the increase in online shopping. What is more, the idea is to compare differences in attitude to online shopping among students of two European countries Poland and Spain. It is interesting to know if using internet and social media and as a consequence being exposed to online advertisement is influencing purchasing decision of young people who are using mobile applications lots of time every day.

1.2 Specific objective

1.2.1 Analyze consumer interest in traditional purchase and online purchase and to find reason why people chose particular way of doing shopping.

These days a big revolution in doing shopping can be observed. In the past buying process was considered as a unpleasant duty and not every product was easy to purchase. Nowadays consumers have a freedom of choosing the way they want to acquire product: online or in physical store. What is more it is possible to combine both possibilities and compare prices and features of products in the internet and buy article in the normal store or order products via internet and pick them up from stationary shop. Knowing the factors which
influence peoples’ decision of choosing method of purchasing would be very interesting from the point of view of marketing, selling and market research.

One of the key questions is what drive peoples’ decision to buy online. It is crucial to know if it is convenience of buying without necessity of leaving house or maybe accessibility of all the possible product in one place. It is possible that customers who do not own their own car prefer to order online because the purchasing are delivered to their home and courier relieves them from carrying heavy bags/boxes. Another reason can be fast comparison of different offers without going from shop to shop to check all the possible options.

1.2.2. Analyze the most popular channels of online sale and determine if people are satisfied with online shopping in general.

It is important to know what kind of platforms customer use to purchase the product. If they are companies’ online shop, online auctions and e-marketplaces like Allegro, e-bay, where also individuals are selling their products or maybe online shops with variety of brands (intermediaries like Zalando and Amazon). This information enable to define what aspect is the most important for customer: price, brand or maybe promotions and convenience of shopping different products at one website ability to send it in one parcel.

What is more, it is important from the point of view of businesses to know what is the level of satisfaction from online shopping. Knowing level of satisfaction from buying online enable to keep the buyer and save money because acquiring new customers may cost five times more than retaining existing one. [9]
1.2.3 What products are people buying online and which one in physical store and if online and social media advertisement encourage people to buy online?

We can distinguish products which are more common to buy them online whereas some of them are still buying in store. It can be assumed that the groups of products often buying online are tickets, CDs, video, books. Whereas others products which require to try them, if they fit well like clothes or shoes, or even cosmetics which are difficult to decide by seeing only pictures are going to be chosen less often. It can be noticed for example in TV advertisement that more and more markets are offering groceries which can be ordered online and delivered to home. Do customers trust the shops enough to order fresh food without previous inspection.

Online sell would not be so popular and effective without internet advertisement, social media and its influencers. It happens that people buy the products to feel membership with a group or they just liked the ad. It is important to know how marketing through the social media influence the customer decision. It really help or maybe it is more annoying and brings opposite effect.

1.2.4 If people use mobile application to buy online and are they feel secure about keeping their personal information by online shops.

Before most of the internet activities were performed via computer and internet websites. Nevertheless since in 2018, 64% of people in Poland [10] and 67% in Spain [11] declared to own Smartphone mobile applications so it indicates that they are gaining on popularity. It is convenient not only due to the convenience of screening products and keeping coupons but also performing payment with application is becoming very easy.
1 Study Justification

In the constantly changing world also the change in attitude to shopping is observed. The statistics of CBOS show that more and more people are buying online so it is crucial to understand what implicate this interest and what encourage buyers to purchasing through the internet: convenience, time saving, wide choice of the products, low prices or maybe avoiding crowd. According to A. T. Kearney (2015), retail e-commerce has grown nearly to $840 billion in 2014 surpassing the sales of $695 billion in year 2013 and it was estimated to increase to $ 1506 billion in 2018 [12]. It appeared that predictions were underestimated since in 2018 retail e-commerce was established at $2842 [13]. The continuous sales increment indicated that e-commerce has enormous market potential.

Since the market potential is growing the goal of the study is to determine what drives customers behavior to meet their expectation even better. It is important from the point of view of companies in order to adjust selling channels and way of advertising to the client’s needs to meet their satisfaction.

In the previous studies of Ajzen(1991) and Orapin (2009) it was advocated that external elements like social pressure, can have influence on purchasing decision [14]. (Hu et al., 2009; Lai & Wang, 2012). Another factor taken into consideration in the studies was subjective norm however Jamil and Mat (2011) revealed that subjective norm does not significantly influence actual buying through the internet but have a profound significant effect on online purchase intention. The results implied that families, friends and the media only have a minor influence on the actual internet purchasing. Subjective norm was the second most influential factors after perceived behavioral control to influence the purchase intention to shop online (Orapin, 2009) [15]. He et al. (2008) hypothesized that the recommendations by the third parties (subjective norm) significantly impacted the purchase intention of the consumers. Most of the findings indicated that subjective norm does has a direct significant influence on purchase intention towards online shopping (Leeraphong & Mardjo, 2013)
The importance of this study is to learn about changes in terms of people attitude to shopping. It is the most important from point of view of businesses to learn about peoples’ preferences and choices. Due to this, the adequate marketing methods can be applied what influence the money and time savings. What is more it is interesting to know how peoples way of thinking is changing among time, social media, advertisement and trends.

2 Theoretical foundation

In this section general information about evolution of online shopping and changes is decision making process will be presented. It will start from explanation how method of advertising changed from pure persuasive and one sided to the customer centric method were seller is getting closer to the clients and answer their personal needs and where customers satisfaction is the more valuable indicator.

After this, statistics about number of internet user in Poland and Spain will be given and what percentage of this user is also active online buyer. Then the evolution of the purchasing process will be describes from the year 1960 until these days.

As the next steps types of e-commerce will be explained including business to business, business to customer and customer to customer. In this section also popular methods and tricks of encouraging customers will be described like targeting, sponsored ads, recommended products.

This section will be closed with explaining what influence can have the social media on effective advertisement and as a consequence how it can increase sale.

3.1 Change in decision making process

Ajzen (1991) is explaining that understanding of human behavior and decision making process is a difficult task. Peoples’ decisions tend to be drive by many factors beginning from physiological, through psychological and ending at social influences [16]. This factors also influence on buyers in the moment of doing shopping and choosing the best product. These days a big change in the model of retail environment is observed. Zmags (2012), explain that
shopping environment is strongly influenced by use of mobile technologies by the consumers. Due to them the decision making process is much faster [17]. Faulds, Mangold and Raju (2017) add that in the past, this process was well known to retailers and consisted of several sequential steps: beginning with problem recognition followed by information search, alternative evaluation, choice decision, and culminating with post-purchase evaluation. Retailers influenced the process through well-crafted marketing mix strategies, derived from the 4-Ps framework (product, price, place and promotion), with the retailer’s primary goal being to impact the choice-decision stage [18]. Nowadays the approach slightly changed. According to Martin (2013) due to the mobile technologies, the m-powered consumer’s decision process is more smooth and basing on personalized interaction between retailer and consumer. [19] The classical five-stage sequential model is about to fail and being replaced by dynamic decision-making process which often entails simultaneously intermingling decision activities in both time and place. The new shopping decision process is continuous and more seamless and consists only on three stages, that often occur together in the real time and potentially offer retailers opportunities to more directly influence the decision-making process through the use of communications targeted to consumer at key decision points in their shopping journeys.

3.2 Evolution of the purchase process

It can be said that year 1960 is the new age in the area of selling. Before the idea was to sell product to relatively unsophisticated customers using simply persuasion method. However from 1960 the information has radically changed how selling is being conducted. Information defined by customer relationship became the most required resources. Adding value become the primary success criteria of the selling process [20].

One of the most popular concept was Seven Step Selling (Moncrief, 2005) [21]. This simply and powerful method describes selling scenario in 7 steps. 1) prospecting- looking for a potential clients 2)pre approach- assessment of the situation and gathering information before approaching the client through the call. 3) approach- good first impression at the beginning of the call 4) presentation of the products- description of the main features and advantages 5)overcoming objections – dispelling doubts of the customer, making them
sure about the decision 6) close-successful completion of a sales call 7) follow up – end of the call and leaving the customer with a thought that they like the product.

These methodology was sufficient during the industrial age. The concept was effective and easy to implement (each sales person was able to tackle the process systematically and step by step, which ensured predictable and systematic results for a sales department of the business) however with development of information technologies approach has changed. It touches not only the selling techniques but also perception of the customers. Dale Carnegie (1950) by combining theories from two fields of psychology and process methodology came up with AIDCA methodology. This approach consists of five steps. 1) Attention- creating ‘sizzle’ 2) Interest- gained due to effective presentation of the product 3) Desire- giving the belief that product can resolve needs and wants 4) Conviction- assuring that the particular product is a right choice 5) Action- finalization of the order. Nevertheless this methodology is adequate for less complex selling strategies.

At the beginning the selling procedure depended a lot on effort and skills of the sell person but since the strong competition arouse at the market the sale and selling methodology changed forever. Now companies due to sophistication and differentiation had to show that they are better than the competition. The most important approach was to gaining information about customer, developing relationship with them and adding value to customers business. Thanks to the new methodologies, new era had started and it was called information era.

The fast development of the technology like fax, internet and cell phones had a direct influence on existence of information era. Previously used Seven Step Selling and AIDCA methodologies were transformed and some of their steps appeared to be irrelevant. Prospecting became teamwork and often outsourced to telemarketers. Individual sellers were replaced with teams working on introduction of CRM approach which is much more effective and easier. After the transformation sales person do not behave like a canvasser but is trying to build a relationship with the customer to identify his needs in order to find the best solution.

In these selling era the main idea is to listening and asking right questions to identify what exactly the client want from the product or service. Dlabay (2011) claim that ultimate goal is to find the right solution by providing right
products or service to the customer, not just classic closing of a sale. Selling paradigm became a way to find mutual goals and a way to achieve them in the long term because customers with high ROI should obtain more interest and focus. E-mail become the method of communication with client. [22]

After the selling revolutions seven step selling concept became considered as customer oriented which serves business in a much economically efficient and productive way. The next generation of paradigms and methodologies appeared after 1960 and were more customized to certain types of the industries and were found to be more relevant to companies. Some well known brands like Avon have not change their selling process since their beginnings so nineteen century and they are still successful. There is no one recipe for success but definitely it is important to adjust selling method to the type of the industry and product.

In 70s FAB (Features-Functions, Advantages and Benefits) was introduced and its main focus was to deliver value. Even though the concept was successful in delivering the message of ‘value’ it could not really connect sales people and real decision makers (business leaders, economic buyers). The main issue for selling people was to translate and deliver the benefits of the products they are selling to real tangible business value (Tony Hughes, 2011) [23].

Among years customer and procurement officers in corporations became more aware of the big competition on the market what made the job of sellers more challenging and demanding. In turn sales departments turned to Neuro-Linguistic Programming (NLP) in training their staff. Anthony Robbins was a person behind the concept and he applied and popularized it in sales to establish trust between customers and influence them.

Another prominent researcher in this field of sales is Neil Rackham (1988) who introduced SPIN selling. This lay the foundations for modern value-based approach to professional sales. He claimed that it is better to understand the clients and create a bond rather than persuade them to buy a product. The SPIN is a short name of situation, problem, implication, need-payoff. These are the types of question sales person should be asking a prospective buyer in order to understand his need and offer something from his products to satisfy it. It was a big step in sales development and had tremendous effect to its future development however SPIN selling have not be able to capture some aspects of customer behavior. Whereas, wants and values are much more
important in selling. Thorough knowledge of someone’s values might help to
design a selling strategy specifically to that buyer and thanks to this successful
sale and long term relationship with customer.[24]

Value selling is specified by Lambin (2008) as the next step from all previous
selling methods and it concerns mainly on delivering mutual value to the
customer [25]. As in the previous concepts it is based on genuine interest in
the customer, caring about their needs and problems. However what make
this concept unique is delivering tangible return on investment by finding
engineering solutions. Due to this true benefit is delivered to the customer.
The last method is considered to be the most ethical because it emphasizes
the customer, prioritizes solution finding and is not basing on persuasion.

These days technology plays a huge role in the selling process. Thanks to
this value can be delivered to the client in more precise way. CRM systems,
Business-to-Business and Business to Customer communications are the
main tools in executing sales operations in high a level required by customers
at the information age.

Selling process was changing consequently over years, starting from era of
industrial revolution and ending up on modern time’s value added selling.
Even though lots of processes are atomized good sales people are still
desired to close sales, finding relevant solutions and adding value to customer
business activities. Even the best system is not able to work when is not
controlled by experienced human.

3.3 Statistics concerning internet users

The common use of internet enabled convenient communication in social,
cultural and business sphere. Due to internet, the time and geographical
differences stopped influence the operation of enterprise. According to GUS
(Statistics Poland) [26] in the year 2018 77,5% of citizens had access to the
internet and had been using it regularly. What is more it was observed the
number of internet user is increasing with every year. In the sphere of
business 95% of companies benefit from the advantages of internet. In 2017,
33,6% of companies were making an order through the internet or mobile
application and 12,1% of orders from the clients were made the same way.
In Spain, the number of households with access to the internet is even bigger
and reached 86,4% in 2018. It was stated that 43,5% of these people have
shopped online in the last three months. [27] Such a huge numbers of internet user create a big potential for businesses to develop their online selling platforms.

The statistics from GUS shows that in 2016 21% Spanish enterprises were performing online sells through their own internet platforms. This number was very close to the average percentage of online sells in European Union which constituted 20%. In Poland however only 12% of companies were performing online sales [28].

Usage of social media is strictly connected with using internet by the companies. It become the most popular tool used by the enterprise to support business activity. It is need for marketing purpose but also to cooperation with customers and business partners. As it was with use of the internet, number of companies using the social media is also rising. Nowadays it reached 30 % but among companies bigger that 250 employees it is 60%.

3.4 Types of online shops

The first thought that come to the mind when hearing the word e-commerce can be buying or selling the products over the internet. However, any transaction which is done using electronic measures can be considered e-commerce. Three different types of e-commerce can be distinguished.

The first type is business to business (B2B) which can be found in every industry, from manufacturing to retail. It refers to the companies which main focus in terms of selling are other companies. In other words one business provide other business with raw materials, finished parts, services or consolations to enable other businesses to operate, grow and profit.

The second group is the business to consumer selling (B2C), which is the most common sales model since it takes place when business selling product directly to individual consumer. In this investigation the focus will be put on this kind of sale. The idea of B2C was first utilized by Michael Aldrich in 1979, who used television as the primary medium to reach out to consumers [29]. In the past B2C sale referred to In-store shopping, paying for meals in the restaurant or films in the cinema. Nowadays with evolution of utility of internet the direct selling moved to e-commerce and selling goods and services over the internet.
For each business that relies on B2C sales the most important goal is to be in good relations with their customer and giving them reasons to come back. While in B2B marketing the most important aspect is value of the product in B2C the attachment to brand and building the trust with customer is the most desired. One of the most well-known companies which as the first become a leader in online deals and are continuing to dominate over their traditional brick-and-mortar competitors are Amazon, Priceline and eBay. Five different types of B2C business models which enable to target consumer can be distinguished. Direct seller when the company which produce the goods, selling it on their own. Online intermediaries, like Expedia and Trivago which only create a link between buyer and seller. Advertising-based B2C. This model uses free content to get visitors to a website and those visitors in turn come across digital or online ads. Community based sales model like Facebook where people create communities what helps for marketers and advertiser to promote the products directly to target consumer basing on demographics and location information. The last model is fee-based like Netflix where consumer is charge with a fee in order to have access to unlimited content.

The last e-commerce category is a consumer to consumer (C2C). The idea evolved due to the internet and 3-commerce development and its assumption is to selling good to consumer by another consumer through the platform owned by third party business. The most popular international platform for this kind of transaction is eBay where everyone can place a good for customer to bid on.

Originally, manufacturers used to selling product to retailers who were putting a markup on products and selling them in the physical stores. Their profit was basing on how high markup they put. Nevertheless with the era of the internet and dotcom boom in 1990 everything has changed. Manufacturers did not have to look for retailers who are going to sell their products and apart from that they could successfully and easily selling their products themselves over internet. The long distance consequence of this situation was collapsing of many retail shops.
3.5 Methods and tricks of online selling

Methods of selling products via internet are slightly different from the one performed in the physical stores. Merchants can afford for more tricks to attract the customers. First and the most obvious approach are catchy and user-friendly web pages and mobile application. In the internet, what consumer rely on are pictures of the products and its broad description prepared by producers or people involved in selling process. Due to well-performed images improved in the Photoshop and fancy front-end it is easy to manipulate potential client and encourage them for purchase which they would never done in the real shop. Very often images of the products online looks slightly different than in reality which consist an advantage for online shops because in physical store the possibility of selling products would be much lower.

Another method which is widely used to attract customers to poaching the product is targeting. It is personalized recommendations which pop out on the screen of the user when he return to the website of particular firm, based on previous browsing history on that website. Targeting went even one step further and with use of external browsing data they can adjust advertisement content on their websites even better. What combine those two methodologies is dynamic retargeting which by using information from the browsing history on the firm’s website is able to improve advertising content on external websites. This is the reason why sometimes when using the online dictionary the advertisement of favorite perfume can be seen or while using facebook to communicate with friend the picture of the shoes which we were supposed to buy are displayed. In other words, when surfing the Internet, consumers who previously viewed products on the firm’s website are shown ads with images of those same products. The authors of the article “When does retargeting work? Information Specificity in Online Advertising” Anja Lambrecht and Catherine Tucker (2019) revealed that dynamic retargeted ads are less effective than normal one [30]. One of the reason can be changing preferences of the customers and their multistage nature of decision process. Still the dynamic retargeting is not able to read in customers mind and can
base only on the history of browsing so it is not effective when preferences change and evolve. Then the advertisement stating to disturb customer. However, Tucker (2013) found out that personalized website ads are more favorably received when consumers have a higher perception of being in control of the personal information used for personalization, which directly corresponds to literature on psychological reactance and suggest a theoretical way forward for search into consumer digital privacy, which is lacking [31]. Some sources state that 20-30% of income from online shops can come from recommended products. It is well known as “you may also like this” products. When the customer purchase products in online shop very often at the last stage some recommendation of the products which are connected to the main purchase are suggested. For example the client just put the expensive, beige trench to the shopping card in online shop. In the moment when the customer is about to pay some suggestion about shoes, neckerchief or bag can appear. In comparison to the trench the cost of accessories can be much lower but still it makes the average value of order 20-30% higher. These strategies, as well as enabling us to increase the average of the shopping cart by showing products that complement the purchase of the product being viewed, allow to increase global conversion rate and boost click-through.

3.6 Influence of social media on the successful online selling

The factor that has a big influence on successful selling is advertisement. These days advertisement can have different forms and one of them is social media channel. What can be observed is that even all of the people want to be individual however at the same time they also tend to buy products which they see other people own. Using social media by customers enable not only to reach them with a personalized advertisement but also to monitor their preferences and build a database which can be used for personalized communication with the client.

Word-of-Mouth is one of the simplest and the oldest way of marketing but still is very effective. Possibilities which are given by social media take Word-of-Mouth methodology to different level because it allow not only to talk about products but also show them on public profiles. According to the Anderson (1998) Consumers are motivated to spread information via word-of-mouth
communication when they are satisfied or dissatisfied with a product. These days many famous people called influencers give recommendation about some products on their public social media accounts it is a new dimension of Word-of-mouth world used in social media. Many people deciding on buying products only because they see it at the accounts of friends or celebrities.

Customer relation Management is one aspect of the marketing mix that benefits from synergistic strategic planning and integration (Rust & Verhoef, 2005) [32]. Due to the change from product-centric to customer-centric approach it is crucial to understand customer preferences and needs. To do this knowledge management through the collection, analysis, dissemination and application of customer information from its dynamic customer database is needed. Due to such a database, which is created by tracking social media behavior, it is possible to effectively understand, segment and target the customer and as a consequence allocate resources in the efficient way to create customer value and customer loyalty. More specifically, a customer database can provide a firm with recency-frequency information as well as behavior and characteristic information regarding their customer (Abe, 2009) [33]. The next important factor is relationship marketing which is developing and maintaining fruitful relationship over time (Arnett & Badrinarayanan, 2005) [34]. It can be done through the social media accounts. It is possible to better understand consumers and manage customer interactions.

Concluding, social media has enormous effect on effective advertising thanks to the new possibility of using World-of-Mouth, customer relationship management and relationship marketing.
4. Methodology

The respondents of the survey which was performed in May and June 2019 were students from universities in Poland and in Spain between 18 and 30 years old. The survey was sent to the most of Spanish students via university e-mail whereas to the rest of them and all the Polish students it was sent on a personal way via social media accounts like Facebook, Instagram and WhatsApp. The questionnaire resulted in a final sample of 91 respondents.

The survey consisted on 34 questions and was divided into 3 parts: General information about respondents, questions about online shopping and questions about shopping in the traditional shop. Young people were asked questions concerning how often do they shop online, what are they buying and how what is their level of satisfaction. In some questions respondents had to chose only one answer whereas in others they could chose few answers to better describe their attitude to online shopping. In few questions they were asked to express the level of satisfaction in a scale from 1 to 5.

5. Analysis and discussion of results

General information summary

Respondents of the questionnaire in 61,1 % were male students and 38,9 % of female students. Since the questionnaire was dedicated only to students the range of age was very narrow from 18 to around 30 including students who started studies later or finishing it longer. The majority of responses were from students aged 18 and then 24-25. According to the country of residence 54,4% of people who answered the questions were Polish and 45,6% Spanish. A big majority, because 60 % of respondents are citizens of city with more than 500 thousand inhabitants, 18,9 % are citizens of towns and 13,3 % are residence of city with less than 250 thousand people. 44,9% of surveyed are graduated bachelor, 27 % are master and 23,6 % of them are still studying.

Most of the respondents are studying engineering like Industrial Engineering, Management, Mechanical and Biomedical Engineering, Marine Engineering
and Transportation and Automotive. Much less of respondents are studying non-technical subjects like Advertising and Public Relations, Psychology, Medicine and Cosmetology.

Since the study is performed at Universidat Politècnica de Catalunya most of the Spanish respondents are from this university whereas most of the Polish students are from Technical University of Lodz. There are few responses from the students from Medical University of Lodz, Technical University of Krakow, Poznań and Wrocław and International University of Catalonia.

The questions from 8 to 34 are going to be discussed one by one in this section. It will enable to explain the result in an organized way and to obtain the most reliable result by being as precise as possible. At the beginning questions regarding online shopping and later the question about shopping in stationary shop will be discussed.

**Question 8, 9, 10** Have you ever shopped online? Would you like to shop online in the future? Do you prefer shopping online or in stores?

Almost all of the young people, because 98.9% answered that they were shopping online. Only one person from surveyed people admitted that has never shop online, however, 100% said that would like to shop online in the future. When it comes to preferences more people (29.2%) admitted that they prefer to shop in a physical store whereas 18% chose online shopping. Nevertheless, other 43.8% like both form of doing shopping what indicated that people are familiar with e-commerce and are using it as willingly as normal form of doing shopping.

**Question 11. What category of products do Polish and Spanish students buy online?**

What was important for these study is motivation of people to chose online form of doing shopping. The one of possible ways is to learn it from category of the products which buyers deciding to buy online.

From Fig 1. and Fig 2. it can be seen that both Polish and Spanish students, 82% and 75% respectively are very enthusiastic about buying tickets over the internet. The second most popular category in both groups is travel. It
indicates that it is more popular to buy tickets and trips via internet probably because of the cheaper prices, possibility to buy in advance and avoiding waiting in lines.

**Fig 1. Products buying online by Polish students**

**Fig 2. Products buying online by Spanish students**

All the students are not convinced to purchasing food, music/DVDs and jewelry online. Still it is more common to do groceries in traditional way in order to examine the product and to have it instantly. When the music and
DVDs is considered probably they are not buying by young people anymore since they prefer to listen to music and watch movies on payed online platforms like Spotify or Netflix which are more convenient and at the end also less expensive. Jewelry is connected to shopping for pleasure that is why in store method is still preferable.

The small differences can be seen in attitude to buying cosmetics because 43% Polish students buy it online whereas only 8% of Spanish decide on the same. Similar situation can be observed for gadgets with 20 points difference and services 19 points.

*Question 12. What kind of websites students use for shopping online?*

Quite a big dissipation is observed among kind of websites which are used for shopping online. 88% polish people prefer to purchase on companies’ online shops which belong to the producer comparing to 60% of Spanish students. The situation is similar for online auctions and e-marketplaces like allegro and e-bay which are chosen by 67% of Polish and only 23% of Spanish. On the other hand, according to this question 78% Spanish youth prefer intermediaries like zalando and Amazon when only 59% of Polish like this form of doing shopping.

*Question 13, 14, 15 How often do they shop online? Do they shop through the website or mobile application? Which option do they consider as more convenient?*

Majority of surveyed is performing online shopping few times during the year or once per month 42,7% and 43,8 % respectively. 10,1% admit that they are doing online shopping every week. 51,7% of the people are choosing website to do shopping whereas 51,7% of them do not mind using mobile application to this purpose. Only 3,4 % students answered that their first choice is always mobile application. Even though mobile application is getting on popularity and are more and more common, 76,4% students feel more convenient with using website.

*Question 16. How comfortable young people feel about shopping online*
In case of feeling comfortable with online shopping there are no any difference between Polish and Spanish students. Both groups responded very similar. 59 % Polish and 54 % Spanish students agreed that their level of comfort is 4 (out of 5 degree scale). 24% and 26% respectively are 100% comfortable with online shopping.

Fig 3. How comfortable Polish students feel about shopping online

![How comfortable Polish students feel about shopping online](image)

Figure 4. How comfortable Spanish students feel about shopping online?

![How comfortable Spanish students feel about shopping online?](image)
**Question 17. How satisfied are young people from online shopping**

In the answer to this question also students from both countries are unanimous. More than half of the surveyed rated their satisfaction for 4 on scale from 1 do 5 and less than 20% said that their level satisfaction is lower than 3.

**Question 18. How comfortable are they about keeping personal information confidential when buying products online?**

Surprisingly the results in this case was also very similar however these time both groups admitted that they feel moderate confident about their information keeping secret; 33% Polish and 31% Spanish. 31% and 23% are almost comfortable and 10% and 13% are very comfortable about giving their personal information when buying online.

**Question 19. How confident are they about keeping payment information is kept secure?**

Spanish people seem to be less confident about their payment information is kept secure. Only 5% is 100% sure and 45% is almost sure and 8% is not sure at all. Polish people are more confident because 20% of them are very confident and 28% are confident whereas only 5% feel very uncomfortable.

**Question 20. Do privacy concerns stop from online shopping?**

It looks like young people feel comfortable with their privacy during the online shopping. Nevertheless 46,6% sometimes is worried if their data will not be used in the desired way and are stopped from the purchase.
Question 21. Do young people prefer to buy from the website they know or it does not matter?

More than 90% of surveyed respond that they order from the shops they know well or at least they usually order from the shop they know. The price appear not so important as the brand or loyalty to the particular shop.

Question 22. Which social media accounts are the most often used by students.

<table>
<thead>
<tr>
<th>Social media accounts used by Polish students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instagram</td>
</tr>
<tr>
<td>78%</td>
</tr>
</tbody>
</table>

Figure 5. Social media accounts used by Polish students
It can be observed that among Spanish students more popular social media is Instagram whereas in Poland Facebook. In Poland the second popular platform is Facebook and You Tube (both 78%) and in Spain You Tube and Facebook is chosen only by 50% of surveyed.

Question 23. Do students watch advertisements?

During the study it was learnt that Polish people stop watching advertising at all. Even when they pop up accidentally probably they are turning them off. It can lead to conclusion that traditional way of advertising is no longer effective and new channels need to be applied to reach potential Polish customer.

The situation looks differently for Spanish students. 55% of surveyed admitted that they are watching advertisements on You Tube and similar platforms, 38 % watching them in TV and 40 % watch ads which appear accidentally.

Figure 6. Social media accounts used by Spanish students.
Question 24. Do students think that their purchasing decisions are influenced by social media and TV advertisement?

Answers to this question were very spread. Most of the people which is 41,6% admit that maybe sometimes they decisions are driven by advertisement. 30,3% definitely stated that they choices are not dictated by marketing influence. Only 28,1% think that social media and TV advertisement help them to make decision about purchase.
Question 25. Do students give back the products bought on the internet which they did not like.

Usually students are happy about their online purchases. From the study it is known that 36% never give back the products bought online and for 32.6% it happened only once or twice.

Question 26. What Spanish people like the most about online shopping?

![Why students like online shopping](image)

Figure 9. Why students like online shopping,

All the answer for the question about why students like online shopping show that they like it due to all the listed reasons: Wide variety of products in one place, cheaper prices, saving time and energy because no need to leave the house, searching for the products from the comfort of their home and avoiding crowd in shopping mall.

Even that the differences are no significantly the most important reason seems to be wide variety of products at one place and the less important avoiding crowd in shopping malls.
Question 27. What people dislike about online shopping?

What is mentioned as the most annoying factor for both countries is not being able to physically inspect the goods before purchase. 90% of Polish and 74% of Spanish answered this way. The second (56%) and third (29%) factor refraining Polish student is disappointment about product which looked differently in the internet than in the real life and that good are not arriving on time. Spanish students on the other hand mentioned that they dislike the fact that goods are not arriving on time on the second place (46%) and at the third disappointment about products which looked differently in the internet than in the real life.

Question 28. Which shops are the most often used by students?

For the question regarding favorite shops, the students chose Amazon, Zalando, Allegro do places of online auctions and well know intermediaries company. They also listed many brands which are selling clothes, shoes and Gadgets.

Question 29. What stop Polish and Spanish students from shopping online?

When factors that refrain people from buying online are considered, 50% Polish admitted that it happens because of lack of experience and 25% avoid it due to difference in experience. Shopping in physical store gives more pleasure. 17% and 8% as the factors chose high prices and safety concerns regarding the financial and personal data security. Spanish students chose exactly the same answered but they gave them different priority. 45% do not purchase online because of difference in experience while shopping online and offline. 27% are refrained by lack of experience and safety concerns regarding the financial and personal data security. 9% because of the high prices. Reluctance towards changing habits and loyalty to their preferred physical shop does not matter.
Figure 10. Factors that stop Polish students from buying online.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of experience</td>
<td>50%</td>
</tr>
<tr>
<td>High prices</td>
<td>17%</td>
</tr>
<tr>
<td>Safety concerns regarding the financial and personal data security</td>
<td>8%</td>
</tr>
<tr>
<td>Reluctance towards changing habits</td>
<td>0%</td>
</tr>
<tr>
<td>Loyalty to my preferred physical shop</td>
<td>0%</td>
</tr>
<tr>
<td>Difference in experience, shopping in physical store gives more pleasure</td>
<td>25%</td>
</tr>
</tbody>
</table>

Figure 11. Factors that stop Spanish students from buying online.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of experience</td>
<td>27%</td>
</tr>
<tr>
<td>High prices</td>
<td>9%</td>
</tr>
<tr>
<td>Safety concerns regarding the financial and personal data security</td>
<td>27%</td>
</tr>
<tr>
<td>Reluctance towards changing habits</td>
<td>0%</td>
</tr>
<tr>
<td>Loyalty to my preferred physical shop</td>
<td>0%</td>
</tr>
<tr>
<td>Difference in experience, shopping in physical store gives more pleasure</td>
<td>45%</td>
</tr>
</tbody>
</table>
Question 30. What category of products people buy in physical stores?

Categories of products which are still buying by young people in physical stores are Food, Clothes and Shoes. For Poland respectively 86%, 84% and 73% and for Spain 97%, 86% and 86%.

The products which are almost not buying in stores (~10%) are Computer software, Music, CDs, Video/DVDs, Games/Video games and travels.

![Figure 12. Products category buying by students in physical stores](image)

Question 31. What kind of shops are visit regularly by students?

Supermarkets are the first choice of both groups. 86% of Polish and 97% of Spanish is going there regularly. A bit less of them are also doing groceries. Shopping malls are at the third position so they are visited less regularly. Normal market and Boutiques are not attracting youth to purchase there.
**What kind of shops are regularly visited by young people**

![Bar chart showing the percentage of Polish and Spanish students who visit different types of shops. The chart indicates that shopping malls are the most visited by Polish students (97%) and Spanish students (86%). Grocery shops are the second most visited by both groups, with 65% of Polish students and 44% of Spanish students. Supermarkets are also popular, with 84% of Polish students and 71% of Spanish students. Markets are visited by 27% of Polish students and 6% of Spanish students. Boutiques are the least visited, with 41% of Polish students and 19% of Spanish students.](image)

**Figure 13. What kind of shops are regularly visited by young people**

*Question 32. What do students like the most about shopping in physical stores?*

It seems to be quite obvious and study confirms that the factor which is the most encouraging to shopping online is ability to see the goods before purchase. It is important for 92% of Polish students and 89% of Spanish students. At the second place 84% and 71% respectively people chose ability to try clothes and see if they fit well.

Another aspect which is tempting is having the product immediately. People use to be impatient also in case of shopping. Pleasure from doing shopping and seeing the displays of the stores, direct contact with the seller in case of questions and doubts and ability to combine shopping with other activities-seems to be less important for youth.
Figure 14. What students like the most about offline shopping?

Question 33. What they do not like about offline stores?

Many people complain about doing shopping in general. The study examine, why people do not like going to shop. For the majority (77.2%) the crowd is the disturbing factor, for 48.1% it is a waste of time and 39.2% is annoyed by searching for different products in different shop. Boredom, necessity to walk a lot and carrying heavy objects seems to be less problem.

Question 34. Have they ever give back the product bought in the physical store?

Surprisingly, almost 50% of surveyed answered that they sometimes give back the product bought in the physical store and 40% admitted to do this one or two times. It is more than in case of giving back products buy online. Only 8.2% of people never gave back products bought in physical store.
6. Conclusions and suggestions for future work

The survey gave the overview about purchasing behavior of students from Poland and Spain. The results were worked out basing on 91 responses. Results appeared to be very interesting. It was assumed that the responses of the two groups will be more different, however, students from both countries seems to have similar approach to online and traditional purchasing.

It appeared that students like buy products online. Their favorite categories of products are tickets, travels, Books and magazines and they are buying them few times a year through the websites. They are still not used to buy via mobile applications. When it comes to keeping their private information and performing transactions they feel secure with online system and it do not discourage them from online shopping. The aspect hat they like about shopping online is having wide variety of products in one place, cheap prices and ability to order products from home. What is more most of the students admitted that their decisions are influenced by social media and advertisement.

The results which were the most surprising were corresponding to using of social media. Spanish students use the most of Instagram and YouTube whereas Facebook is placed on the 3rd place. In Poland, Facebook is still a first choice in terms of social platforms, Instagram and You Tube are following it and are used by the same number of people.

What is more it was supposed that one of the factor encouraging young people to buy online is price. However if they can choose between low price or buying from the shop they know, in more than 90% they prefer to pay more but buy product from the well known shop/website.

Surpassingly, Polish students appear to be highly resistant to all kind of advertisement. They do not watch them on You Tube nor in TV or accidentally when they appear during other activity. This group can not be reached by this method of marketing. Spanish citizen on the other hand are willing to see ads
on all the forms. 55% like to watch advertisements on You Tube and even less people see them accidentally than on purpose.

What was interesting concerning online shopping, even though more that 40% answered that they are disappointed about products which looked differently in the internet in the real life, more than 90% answered that they never or almost never give buy the products bought online.

Even though 90% of people like in store purchase because of ability to see and try clothes they are giving them back more often that products bought online. It can lead to the conclusion that return policy of online shops is too complicated or people do not feel convenient about it.

The only limitation at this stage of the research were time and number of responses. In the future the study is going to be continue in order to reach more people and possibly reach people at different age
7. References


[29] https://www.investopedia.com/terms/b/btoc.asp


Annexes

Questionnaire

GENERAL QUESTIONS

1. Gender
   - Male
   - Female

2. Age (I am not sure if I should ask about age, or just send the questionnaire to students)
   - Less than 18
   - 18
   - 19
   - 20
   - 21
   - 22
   - 23
   - 24
   - 25
   - more than 25

3. Country of residence
   - Poland
   - Spain

4. Place of residence
   - Village
   - Town
   - Suburbs
   - City (town) less than 250 thousand
- City (town) 250-500 thousand
- City more than 500 thousand

5. Education
- Basic
- Secondary
- Vocational
- Technical
- Mid-higher
- Higher

6. What do you study?
7. Which university are you studying at?
8. Have you ever shopped online?
   - Yes
   - No

9. If not, would you like to shop online in the future?
   - Yes
   - No

QUESTIONS ABOUT ONLINE SHOPPING
10. Do you prefer shopping online or in stores?
    - Online shopping
    - Shopping in stores
    - No preference, I like both
    - No preference, I don’t like neither of them
11. What category of products do you shop online?
    - Books/magazines
    - Food
- Computer software
- Cosmetics
- Music, CDs
- Video/DVDs
- Games/Video games
- Electronics
- Travel (hotel, holiday)
- Clothes
- Shoes
- Jewelry
- Tickets (movies, concerts, theatres)
- Services (legal, insurance)
- Gadgets
- Sport equipment
- Others
- Don’t buy

12. What kind of websites do you use for shopping online
- Companies’ online shops (belonging to the producer/seller)
- Online auctions and e-marketplaces, e.g. olx, allegro, e-bay, where also individuals are selling their products
- Online shops with variety of brands - intermediaries (e.g. zalando, ebay)
- None of them

13. How often do you shop online?
- At least one time per week
- Once a month
- Few times during the year
- One or two times a year
- Never

14. Do you shop through the website or mobile application?
15. Which option is more convenient for you?
- Website
- Mobile application
- None of them

16. How comfortable do you feel about shopping online (procedure of shopping, payment)
Scale from 1 to 5 ( 1-not comfortable at all, 5- very comfortable)

17. How much satisfied are you from online shopping usually?
Scale from 1 to 5 ( 1-not satisfied at all, 5-very satisfied)

18. How comfortable are you about your personal information being kept confidential when buying products online?
Scale from 1 to 5 ( 1- not comfortable at all, 5-very comfortable)

19. Are you confident that your payment information is kept secure?
Scale from 1 to 5 (1- not confident at all, 5- very confident)

20. Do privacy concerns stop you from online shopping?
- Yes
- No
- Sometimes

21. Do you prefer to buy from the website which are well known to you or it does not matter for you?
- I order only from the shops I know well
- Usually I order from the shop I know
- It doesn’t matter if I know the shop or no. Price is the most important
- I don’t buy online

22. Which Social Media accounts are you using?
- Instagram
- Facebook
- Pinterest
- Snapchat
- Application of the particular shop (H&M, Zara, Mango)
- You tube
- Twitter
- Others
- Non of them

23. Are you watching advertisements?
- Yes, on Youtube or similar platforms
- Yes, on the TV
- Only accidentally, when they appear at the website or some other place
- Never

24. Do you think that your purchasing decisions are influenced by social media and tv advertisement?
- Yes
- No
- Sometimes

25. Have you ever had to send back the product bought on the internet which you did not like
- Yes, it happens very often
- Yes, it happens sometimes
- Yes, but it only happened one or two times
- No, never

26. What do you like the most about online shopping?
- Wide variety of products in one place
- Cheaper prices
- Saving of time and energy - not needing to leave the house and go to the shop
- Delivery to the place of residence
- Searching for the product from the comfort of your home
- Possibility of easy and quick comparison of offers
- Avoiding crowd in shopping malls

27. What do you dislike the most about online shopping?
- Security concerns surrounding payment by credit card over the Internet
- Not being to able to physically inspect the goods before purchase
- Goods getting damaged during transport
- Goods not arriving in time or at all
- Concerns over what information retailers are storing about customers
- Difficulty in the buying procedure on website
- Disappointment about product which looked differently in the internet that in the real life
- Not satisfactory return policy if the product does not meet the expectation.

28. Which online shops do you use the most often? List few of them

QUESTIONS ABOUT PHYSICAL STORE
29. If you have never shopped online, what factors stopped you from shopping online
- Lack of experience
- High prices
- Safety concerns regarding the financial and personal data security
- Reluctance towards changing my habits
- Loyalty to my preferred physical shop

30. What category of products do you shop in physical store?
- Books/magazines
- Food
- Computer software
- Cosmetics
- Music, CDs
- Video/DVDs
- Games/Video games
- Electronics
- Travel (hotel, holiday)
- Clothes
- Shoes
- Jewelry
- Tickets (movies, concerts, theatres)
- Services (legal, insurance)
- Sport equipment

31. What kind of shops do you visit regularly
- Grocery shop
- Supermarket
- Shopping mall
- Market
- Boutiques

32. What do you like the most about physical shopping?
- Having the product immediately
- Ability to physically see the goods before purchase
- Ability to try clothes and see if they fits well
- Pleasure from doing shopping and seeing displays of the stores
- Direct contact with the seller in case of questions and doubts
- Ability to combine shopping with different activities

33. What do you NOT like about shopping in “offline” stores?
- Wasting of time
- Boredom
- Walking a lot
- Carrying heavy things
- Crowd
- Searching for different products at different shops

34. Have you ever gave back the product bought in the physical store
   - Yes, it happens often
   - Yes, it happens sometimes
   - Yes, it happened one or two times
   - No, never