

Factors Influencing Buying Behavior on Daily Deal Sites in Turkey

Hilal Asil

Fatih University, İstanbul, Turkey
hilalasil@fatih.edu.tr

Hilal Özen

Istanbul University, İstanbul, Turkey
hilaloz@istanbul.edu.tr

Abstract

The Internet is experiencing a new fashion in the last two years. Daily deal sites have become popular also in Turkey like many other countries. They provide daily discounted offers to the customers for various items. Most of the people look at those sites for discounts before they start to work. This new way of shopping becomes almost a habit for them. Those sites are nearly a part of our daily lives. But, this means not that every person using the Internet for shopping purposes prefers daily deal sites for purchasing goods and services. There are some behavioral differences between customers. The factors that initiate the buying process differ across customers.

This study will try to investigate the factors that influence Turkish consumers' buying behaviors and satisfaction from daily deal sites in Turkey. A model is proposed of the buying process in the online shopping environment. Mostly price related constructs and the impulse buying tendencies of online consumers will be used as predictors of buying behavior. Satisfaction from daily deal sites is held a result of buying behavior. Hypotheses will be developed according to the effects of the factors on buying behavior and satisfaction from daily deal sites. The hypotheses will be tested using multiple regression analysis. A survey will be held through online daily deal site shoppers in Turkey who bought at least one item using those sites in the last three months. Findings of the study will be useful both for the academics and online retailers.

Keywords: Daily Deal Sites; Online Shopping; Turkey; Multiple Regression.

Introduction

The rapid change in the information and communication technologies today made consumers begin to spend much more time on the Internet. Hence, the number of the consumers' online shopping activities is increasing day by day. According to the Interbank Card Center (BKM) data, e-commerce in Turkey has grown 14% in 2013 compared to the same period in 2012 (BKM, 2013). On the other side, this revolution of the Internet has also forced organizations to adapt their marketing, sale, distribution and promotion efforts into the online environment. For retailers, these platforms represent a new marketing channel to promote their products and services and to attract new customers (Krasnova et al., 2013).

Parallel to the developments in e-commerce, daily deal sites have become the latest Internet enthusiasm, providing discounted offers to customers for various items and have contributed to the transformation of the online shopping. This new concept is a growing

figure as a subset of online shopping, which has been also named as “private shopping” or “exclusive shopping” and it is really like a closed loop at which only members can take the advantage of deep discounts and high-end brands (Baybars and Ustundagli, 2011). Membership is free, but in some cases to become a member to one of the deal sites a person needs to be invited by another member.

There are a number of daily deal websites where users have to sign up to be able to buy products at high discounts. Markafoni is the first website which applied the daily deal model in Turkey, Trendyol and Limango are the followers in the Turkish online market. After those three firms, the number and variety of daily deal sites are increasing continuously (Economist, 2011). Despite the rapid development of the private shopping industry, research in this area appears to be insufficient. Thus, this paper represents an attempt to find out factors affecting consumers’ shopping behaviors and their satisfaction from daily deal sites, using a combination of data analysis and modeling.

Conceptual Background

Coupons and the promotions are widely studied by academics in the literature, but limited research exists about daily deal sites which is also a new form of price promotion (Kimes and Dholakia, 2011). Several concepts from the promotions literature are relevant to the study of daily deals. Among these, consumers’ price consciousness, price mavenism, sale proneness, coupon proneness which is price related constructs and impulse buying tendency were examined in the context of this study.

Price Consciousness

Price consciousness is *“the degree to which the consumer focuses exclusively on paying low prices”* (Lichtenstein et al., 1993; p. 235). The Internet itself is a very convenient channel for price conscious consumers; because it reduces the search costs by providing rapid access to information about products (Girard et al., 2003). Daily deal sites also provide low price opportunities to customers. Price conscious consumers have a tendency to find cheaper items and reduce their search cost. So, they may be more willing to shop from daily deal sites. Therefore, it is expected in this study that price consciousness has a positive effect on buying behaviors of online consumers.

H₁: Price consciousness is positively associated with buying behavior from online daily deal sites.

Price Mavenism

Some of the consumers may have a desire to be perceived as a “price maven” in their social environment (Lichtenstein et al., 1993). By the definition provided by Yu (2008; 67), price mavenism is explained as *“the degree to which an individual is a source for price information for many kinds of products and places to shop for the lowest prices”*. Price mavenism concept could be accepted as the narrow interpretation of the market mavenism concept (Moore et al., 2003). Because, where market mavens are known as a market expert, price mavens are only focused on price information in a market. Price mavens are mostly concerned with low price information in the market so that s/he could share this with others. So, similar with price consciousness, price maven consumers could be more willing to shop from daily deal sites that are mostly popular with low prices. It is expected

in this study that price mavenism has a positive effect on buying behaviors of online consumers.

H₂: Price mavenism is positively associated with buying behavior from online daily deal sites.

Impulsive Buying Tendency

When consumers see an offer in the morning in a daily deal site they could buy the item without thinking. In a study held by Sharma and Khattri (2013) they also found that most of the e-shopping of the deals is taking place on impulse. So, the shopping made from daily deal sites may be strongly related to impulse buying tendencies of consumers. This study is also expecting a high relationship between those two constructs.

H₃: Impulsive buying tendency is positively associated with buying behavior from online daily deal sites.

Sale Proneness

Being on sale could be sometimes the foremost important reason for a consumer in order to decide to buy a product. Yu (2008; p. 67) defined sale proneness as *“an increased propensity to respond to a purchase offer when the price is presented in a discounted form”*. Lichtenstein, Ridgway and Netemeyer (1993) stated in their study that people perceive sale prices more valuable than an equivalent price that is not presented in sale form. The buying intentions of consumers and being sale prone was found to be positively correlated in the literature (Alford and Biswas, 2002). In this study, it is also expected that sale proneness has a positive effect on buying behaviors of online consumers.

H₄: Sale proneness is positively associated with buying behavior from online daily deal sites.

Coupon Proneness

Coupons are important promotional tools in some product categories (Swaminathan, Bawa, 2005). They are also being used in daily deal sites in order to attract consumers. When they are offered a discount coupon after entering the website they become prone to use this coupon. So, consumers who respond to coupon offers are called as “coupon prone” consumers (Lichtenstein et al., 1990). Coupon proneness has a very similar rationale to that for sale proneness and suggests that the perception of the price cue may also be related to the form in which it is presented (Lichtenstein et al., 1993, p. 235). Coupon proneness is like sale proneness and is consistent with the negative role of price which means that higher prices result in lower purchases (Alford and Biswas, 2002). Lichtenstein et al. (1990) define coupon proneness as *“increased propensity to respond to a purchase offer because the coupon form of the offer positively affects purchase evaluations”*. This study is claims that coupon proneness has also a positive effect on buying behavior.

H₅: Coupon proneness is positively associated with buying behavior from online daily deal sites.

Satisfaction

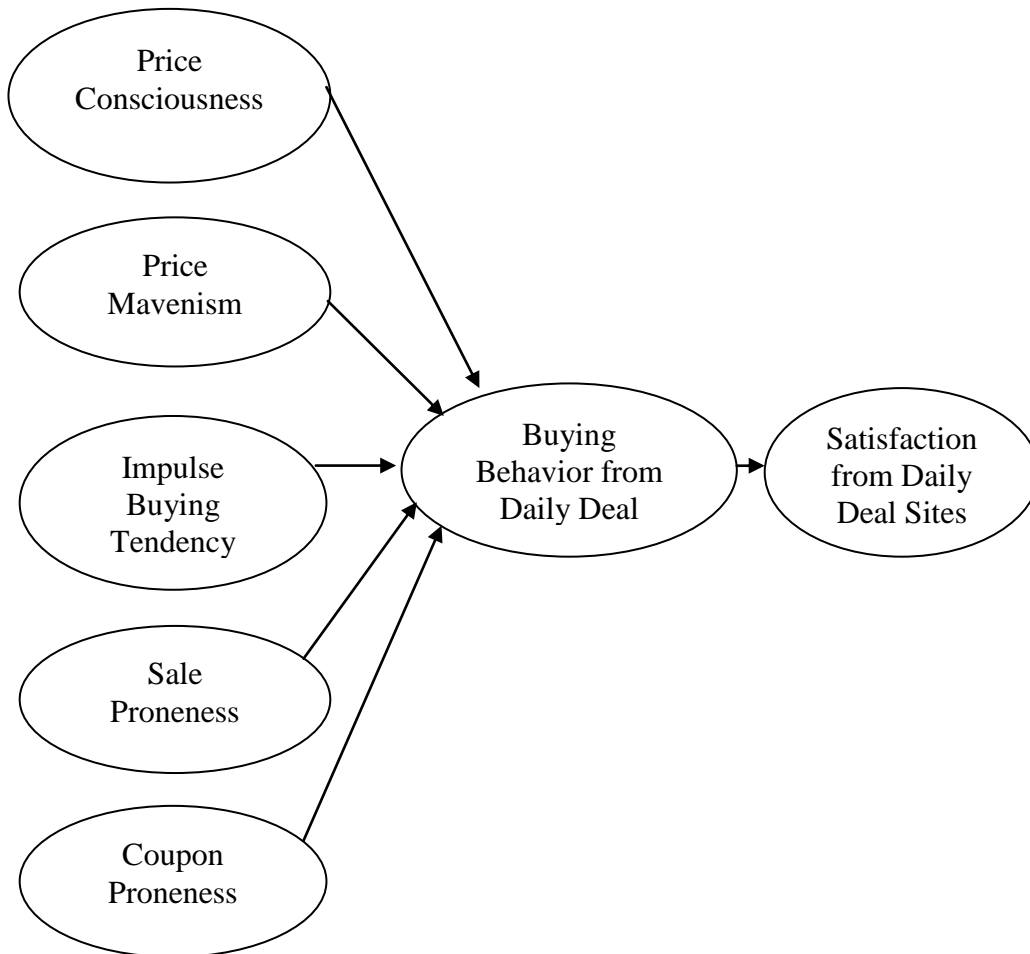
The satisfaction concept has an important position in marketing practice (Ho and Wu, 1999). Satisfaction from a retailer refers to consumers' overall evaluation of the organization based on their experiences with the organization (Park and Kim, 2003, p.18). When the consumers are dissatisfied after a purchase behavior, they generally do not want to try the same experience again from the same retailer or e-tailer. So, it can be said that satisfaction is a key component for designing an online retail store (Liu et al., 2008). In order to make customers repeat the purchase behavior e-tailers should try to satisfy them. So, it is expected in this study that buying behavior has a positive effect on satisfaction.

H₆: Buying behavior is positively associated with satisfaction from online daily deal sites.

Research Methodology

This study tries to analyze the effects of price related constructs and impulse buying tendencies of online consumers on their buying behaviors from daily deal sites in Turkey. Besides the effect of buying behavior on satisfaction will also be investigated.

Figure 1: Research Model



In order to test the research model, an online survey will be conducted. Respondents of the survey will be online consumers in Turkey that have bought a service or a product from an online daily deal site in Turkey in the last three months. A sample size of 400 online consumers is targeted.

The price related constructs which are price consciousness's, price mavenism, sale proneness and coupon proneness will be measured using multiple items, five-point, Likert scales ranging from strongly disagree to strongly agree. Similarly impulse buying tendency and satisfaction from online daily deal sites will also be measured by multiple items. Buying behavior from online daily deal sites will be measured by asking the amount of money spent and the number of purchases made from an online daily deal site in the last three months. The respondents' demographic profiles (i.e. gender, age, income level, education) will be also included in the survey.

After collecting the data, first of all the reliabilities and validities of the variables will be analyzed. Multiple regression analysis is chosen in order to analyze the causal relationship among variables in the research model. Those analyses will be held with the help of SPSS 18 statistical program.

References

- Alforda, Bruce L. and Abhijit Biswas (2002), "The effects of discount level, price consciousness and sale proneness on consumers' price perception and behavioral intentions", *Journal of Business Research*, Vol. 55, pp. 775– 783.
- Baybars, Miray and Elif Ustundagli (2011), "Attitudes toward Online Shopping from the Aspects of Personal Characteristics and Shopping Motive through a Developing Concept: Private Shopping", *International Journal of Business and Management Studies*, Vol. 3, No. 2, pp. 201-210.
- BKM (2013), The Interbank Card Center Report, Available at: http://www.bkm.com.tr/bkm-en/istatistik/sanal_pos_ile_yapilan_eticaret_islemleri.asp
- Ekonomist (2011), "e-Ticarette yeni trend tek ürüne odaklanmak", Available at: <http://www.ekonomist.com.tr/eticarette-yeni-trend-tek-urune-odaklanmak-haberler/2491.aspx>
- Girard, Tulay, Pradeep Korgaonkar, and Ronnie Silverblatt (2003), "Relationship Of Type Of Product, Shopping Orientations, and Demographics with Preference for Shopping on the Internet", *Journal of Business and Psychology*, Vol. 18, No. 1, pp. 101-120.
- Ho, Chin-Fu and Wen-Hsiung Wu (1999), "Antecedents of Customer Satisfaction on the Internet: An Empirical Study of Online Shopping", *Proceedings of the 32nd Hawaii International Conference on System Sciences*.
- Kimes, Sherly E. and Utpal M. Dholakia (2011), "Customer response to restaurant daily deals", SSRN eLibrary. Available at: <http://ssrn.com/abstract=1925932>.

- Krasnova, Hanna, Natasha F. Veltri, Klaus Spengler, and Oliver Günther (2013), ““Deal of the Day” Platforms: What Drives Consumer Loyalty?” *Business & Information Systems Engineering*. Available at: <http://link.springer.com/article/10.1007/s12599-013-0268-2#>
- Lichtenstein, Donald R., Richard G. Netemeyer, and Scot Burton (1990), “Distinguishing Coupon Proneness From Value Consciousness: An Acquisition-Transaction Utility Theory Perspective”, *Journal of Marketing* Vol. 54, pp. 54-67.
- Lichtenstein, Donald R., Nancy M. Ridgway, and Richard G. Netemeyer (1993), “Price Perceptions and Consumer Shopping Behavior: A Field Study”, *Journal of Marketing Research*, Vol. 30, pp. 234-45.
- Liu, Xia, Mengqiao He, Fang Gao and Peihong Xie (2008), “An empirical study of online shopping customer satisfaction in China: a holistic perspective”, *International Journal of Retail & Distribution Management*, Vol. 36 No. 11, pp. 919-940.
- Moore, Marguerite, Karen McGowan Kennedy, and Ann Fairhurst, (2003), “Cross-cultural equivalence of price perceptions between US and Polish consumers”, *International Journal of Retail and Distribution Management*, Vol. 31, No. 5, pp. 268–279.
- Park, Chung-Hoon and Young-Gul Kim, (2003), “Identifying key factors affecting consumer purchase behavior in an online shopping context”, *International Journal of Retail & Distribution Management*, Vol. 31, No. 1, pp. 16-29
- Sharma, Nidhi Vishnoi, and Varsha Khattri (2013), “Study of online shopping behavior and its impact on online deal websites”, *Asian Journal of Management Research*, Vol. 3, No. 2, pp. 394-405.
- Swaminathan, Srinivasan and Kapil Bawa (2005), “Category-specific coupon proneness: The impact of individual characteristics and category-specific variables”, *Journal of Retailing*, Vol. 81, No. 3, pp. 205–214
- Yu, Shu-Fen (2008), “Price perception of online airline ticket shoppers”, *Journal of Air Transport Management*, Vol. 14, pp. 66–69.