Consumer’s behavior and trust in E-commerce

Dissertation in Marketing, 15 ECTS

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Summary of the Thesis

**Title:** Consumer’s behavior and trust in E-commerce.

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**Supervisor:** LJUNGQUIST Urban

**Level:** Bachelor Thesis in Business and Administration, Marketing

**Key words:** E-commerce, consumer’s behavior, buying behavior, Trust, pure players…

**Purpose:** The purpose is to explore how people working in E-commerce can encourage customers purchase decision on internet by improving customer trust during the purchase.

**Frame of references:** First of all, we give a definition of consumer behavior following by characteristics affecting it and a description of different kind of buying behavior. Then, we describe the buyer decision making process for a known product or an innovation. We bring some knowledge about trust in E-commerce. Finally, we present our conceptual framework.

**Method:** First, we explain the methodological approach and then the research design. After this, we explain which research method we took and why. Finally, we explain the writing of our survey.

**Conclusion:** Trust in E-commerce can be brought through for elements: product quality, payment security system, E-customer relation management, website quality and time of delivery.
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1. Introduction

In this introduction we explain the topic of our thesis and why we chose the E-commerce. The background gives some clues about the reasons of our choice. We describe the E-commerce revolution and the huge opportunity it represents to companies. We finally present the problem discussion of our thesis followed by the problem formulation and the purpose.

1.1 E-commerce revolution

According to the international telecommunication union, World Wide Web achieved 2,267,233 users in 2011.

![Internet Users in the World Distribution by World Regions - 2011](image)

**Total users : 2,267,233.**

**Figure 1.1:** Internet users in the World in 2011 (source: Internet World Stats)
The years since 1995 have witnessed a surge in E-commerce activities over the internet in business to consumer. In fact, the growth of sales over the internet has outpaced that of traditional retailing (Kuan, Bock & Vathanophas, 2008).

The internet has questioned the traditional way of delivering goods and services and revolutionised the speed and method of shopping and how to communicate with customers and suppliers by the use of information technology (Corbitt, Thanasankit & Yi, 2003).

All companies will become E-companies because it allows being more efficient than competitors which are old-fashioned right now without the E-commerce technology (Steward, Callaghan, & Rea, 1999). The E-commerce revolution is changing the customer's relationship with a firm. The customer is king and he is more powerful. By Internet customers can talk to each other and exchange information about a company or its products through forums for instance. It can change what the customer is thinking before buying something on a web site (Steward, Callaghan, & Rea, 1999).

Vacca and Loshin (2002) explain that E-commerce business is emerging as the “new economy,” which allows you to collect and share more information through technology than ever before. Unfortunately, not all of you are using the internet in a positive way. The internet has not only allowed you to communicate around the world, it has also opened up the doors for electronic crime. The computer security institute’s (CSI’s) 2002 computer crime and security survey raised the level of awareness and aided in determining the scope of cyber crimes.

1.2 Problem discussion

Nowadays E-commerce is used more and more in a transactional way between customers and sellers. Goods and services used to be sold in a shop store through face to face sale. The seller could suggest the desired good and give advice to his customer by analysing its behaviour and its needs (Corbitt, Thanasankit & Yi, 2003). Through the E-commerce, sellers and customers cannot have the same relationship; this is why the customers often feel a lack of trust on a web site. He cannot be sure that the good that he is buying and paying for it, is the good one.
Buyer decision process has several stages: Need recognition, information search, evaluation of alternatives, purchase decision and post-purchase behavior (Kotler and Armstrong, 2008). Nevertheless, these stages and the importance of each of them depend on each individual. It depends of each consumer's personal involvement, the type of purchase and the purchase environment. The customer has to trust the purchase environment and specially E-commerce environment to be in the best conditions to buy goods or services (Kotler and Armstrong, 2008).

Installing trust between sellers and customers in E-commerce environment is not easy. This is why it is necessary to understand several marketing models such as the types of buying decision behaviour or the different characteristics affecting the customer behaviour (Kotler and Armstrong, 2008).

When a customer is buying a new good, he is waiting for some information about it. This information could be given directly by a seller in a shop store; however on a web site this practice is more complicated. The customer obviously can access certain information. However, if this information does not answer his questions, the customers can feel confused. The more the customers will be confused about a product, the more he will need explanations and knowledge transfer in order to decrease the consumer fear and the perceived risk (Corbitt, Thanasankit & Yi, 2003).

1.3 Problem formulation and purpose

The problem formulation is the following:

**How can E-commerce people bring trust to customers to encourage purchase decision?**

The purpose of our thesis is to study the relation of trust between customer and companies.

1.4 Delimitations

This thesis paper focuses on consumer behaviour in E-commerce and companies have to understand this behaviour to encourage and almost control purchases. Human decisions and reactions are very complex and it will never be possible to understand each of them totally.
Moreover, certain kinds of products, for instance luxury products, could not be sold in E-commerce due to the huge commitment that it represents for customers. So, this thesis does not work for all goods and services.

For our empirical study, we use a case study so we analyse only one firm which is Amazon.com and we focus on focus only on “Pure players” companies, which sell only on E-commerce environment and do not have a shop store.

1.5 Outline of the thesis

The thesis is divided in six parts. The first chapter contains the introduction in which the background, the problem and the purpose are presented.

In the second chapter, we describe the theoretical framework with the theories we choose to answer to our purpose. The two first parts consist to develop the following theories: consumer behavior, buying decision making process, trust in E-commerce and finally consumer behavior in E-commerce. The third part introduces our conceptual framework from these theories.

The third chapter presents the method used. Within it, methodological approach, research design, research method and data collection process are explained.

The chapter four is the case study of the firm Amazon. The empirical data was gathered from a consumer survey broadcasted on internet and from secondary data. The results of this survey are presented in this part.

In chapter five, we analyze the empirical data from the consumer survey and secondary data collection in relation to the chosen theories. This is the most important part of the thesis because it allows comparing the information found in the reality with the theory.

Finally, in the chapter six, with our analysis, we concluded by giving an answer to the purpose. We also gave suggestions to further studies.
2. Framework of references

In this chapter we present the theoretical framework of the thesis, which help us to find information to answer the question in the problem formulation. First, it talks about consumer behavior and characteristics affecting it. Then, we present the E-commerce and the different characteristics of this special environment. Finally, a link will be done between the both points with our conceptual framework.

2.1 Consumer behavior

2.1.1 Definition of consumer behavior

According to Kotler and Armstrong (2008), consumer behaviour refers to the buyer behaviour of final consumers- individuals and households who buy goods and services for personal consumption.

However, one official definition of consumer behaviour is the study of individuals, groups or organisations and the processes they use to select, secure, use, and dispose of products, services, experiences or ideas to satisfy needs and the impacts that these processes have on the consumer and the society (Perner, 2010). Customer buys goods and services to satisfy needs and wants. However each individual is different in terms of age, gender, occupations and taste. This is why consumer behaviour is so difficult to understand and to study (Kotler and Armstrong, 2010).

As Kumra (2007) explains, consumer behaviour involves the use and disposal of products as well as the study of how they are purchased. This means understanding that consumer's behaviour process is the perspective from the what, when, where, how, from whom and how often to purchase goods and services. The study of consumer behaviour is how consumer makes decisions to spend its resources (time, money and effort) in various consumption places (Nair, 2009).
2.1.2 Characteristics affecting consumer behavior

It exists many characteristics affecting consumer behavior which are various and complex. As Kotler and Armstrong (2008) did it, it is possible to classify these characteristics in four categories:

![Figure 2.1: Characteristics affecting consumer behavior (Kotler and Armstrong, 2008)](image)

Each of these factors influences consumer behaviour in each purchase. According to Kotler and Armstrong, marketers cannot change the importance of these factors. However, they can take them into account to understand customer purchase.

Cultural factors refer to the people belonging of groups as such nationality, race, location and social class. This belonging influences each consumer's purchase. For instance, Asians still have different aspirations from Europeans. (Doyle and Stern, 2006)

Social factors are inspired by reference groups, family and roles and status. A reference group is any person or group which has a direct or indirect influence on individual’s behavior. It is named like this because it serves as a point of comparison for its members. Each group has a set of norms and values which is respected by everyone who wants to belong to this group. Reference group concept is a big opportunity for marketers to understand the consequences of group life and the impact on an individual’s belief, judgement, attitude and so on (Kumra, 2007).
Personal factors refer to each person being different by its age, gender, taste. These factors influence the consumer all the time during its purchases. Kotler and Armstrong (2008) suggest that people change the goods and services they buy over their lifetime. Tastes in food or clothes are often age related. Occupations also affect the intention of purchase. When people do sport or some do-it-yourself, they need special clothes and equipment. Life style is a person’s pattern of living as expressed in his or her psychographics.

Psychological factors are represented by motivation, perception, learning and attitude.

Maslow (in Doyle and Stern, 2010) uses this hierarchy of human needs to explain why people are driven by particular needs at particular time. People try to satisfy the first need not fulfilled, starting from the bottom of the pyramid. This model can explain the term of motivation, which refers to subconscious motivations. Most of the time, consumers do not know why or cannot explain why they act as they do (Kotler and Armstrong, 2008).

**Self-Actualisation:** Self-development and realisation.

**Esteem Needs:** Self-esteem, recognition and status.

**Social Needs:** Sense of belonging, love.

**Safety Needs:** Security, protection.

**Physiological Needs:** Hunger, thirst.

Figure 2.1.2: Maslow’s hierarchy (Kotler and Armstrong, 2010)

Kumra (2007) explains several characteristics of needs. Needs cannot be created or manipulated by marketers. The need exists before the marketer and within the customer. Need are never fully satisfied however temporary. They come back and change with time and environment. For instance, people have not the same needs at each meal. We can also observe that new needs arrive
when old needs are satisfied. Consumer has multiple needs at the same time. Money that he uses to satisfy a need means less money to another need. Finally, we can conclude the independence between needs and wants. Needs pre-exist wants which lead a demand.

**Motivation** is a process that starts when customer has needs that he wants to satisfy. It creates both physiological and psychological tension and discomfort. This is satisfied through the purchase and use of products and services (Kumra, 2007).

**Perception** is the process by which people select, organise, and interpret information to form a meaningful picture of the world from three perceptual processes: selective attention, selective distortion and selective retention. Selective attention is the tendency for people to screen out most of the information they are exposed. Selective distortion means the tendency for people to interpret information in a way that will support what they already believe. Selective retention refers to the tendency to remember good points made about a brand and forget good points about competing brands (Kotler and Armstrong, 2008). The first impression is the last one. When you introduce a new product without testing it and that customers have a bad impression about it, any product improvement could change the negative view that the consumer already has (Kumra, 2007).

**Learning** changes individual behaviour according to the past experiences. Past purchase experiences influence future purchases. For instance if a customer has been disappointed by a product or brand, he won't buy it anymore (Kotler and Armstrong, 2010). Learning is a process that evolves with knowledge, and experience. Knowledge is considered as the acquisition and processing of information available through an exchange between customers and company.

**Belief** is a descriptive thought that a person has about something based on knowledge, opinion and faith. Attitude describes a person’s relatively consistent evaluations, feelings, and tendencies toward an object or idea. All this characteristics affect consumer behavior with more or less strength. It depends of environment, time of day and each person (Kotler and Armstrong, 2010).
2.1.3 Types of buying behavior

<table>
<thead>
<tr>
<th>Degree of Involvement</th>
<th>Rationality</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>High (Thinking)</td>
</tr>
<tr>
<td></td>
<td>Extensive problem solving</td>
</tr>
<tr>
<td>Medium</td>
<td>Limited problem solving</td>
</tr>
<tr>
<td>Low</td>
<td>Routine</td>
</tr>
</tbody>
</table>

Figure 2.1.3: Types of Consumer Behavior (Doyle and Stern, 2006)

- **Rationality** is based on the perceived functionality of the product by consumer.

- **Extensive problem solving** concerns a product which is expensive and a risky decision to take for the customer. It means that this purchase is infrequent and the consumer needs information about it to be sure that it is not a loss of time and money. He needs for reassurance by testing the product for instance.

- **Limited problem solving** concerns a familiar product category for the consumer. He has already bought the same or similar product in the past.

- **Routine** concerns products that the consumer buys very frequently indeed every day. He has a little consideration for the purchase.

- **Image** means that the consumer sees the product as reflecting status or personality.
Sensual means that the consumer desires the product for pleasure not for its features or its functionalities.

Impulse means that the consumer buys the production without forethought. He can switch brand (Doyle and Stern, 2006).

2.1.4 Buyer decision making process

According to Kotler and Armstrong (2010), buyer decision making process follows these different stages:

- **Need recognition**: It means that the consumer feels a need or a lack of something.
- **Information search**: Consumer wants information and details about the desired product. These details can be provided by personal selling or labels in shop stores.
- **Evaluation of alternatives**: Customer often has the choice between several products. With provided information he can choose the best alternative for him in function of the quality product, the price or the both.
- **Purchase decision**: Customer chooses which brand he has the intention to buy. However two factors involve between the purchase intention and the purchase decision: attitude of others and unexpected situational factors. Attitude of others refers to somebody closed to the customers recommends to buy this product rather than this one. Unexpected situational factors are the contrary of expected factors such as expected price or expected product benefit. However, events may change the purchase decision such as sales promotion this is called unexpected situational factors (Kotler and Armstrong, 2010).

![Figure 2.1.4: Buyer Decision Making Process (Kotler and Armstrong, 2010)]
• **Post purchase behavior**: After its purchase customer can be satisfy or not. Customer delight is one of the most important things in marketing because it allows customer loyalty. It means that the consumer feeling after the purchase is as important as the consumer behavior during the purchase. A cognitive dissonance refers to a buyer discomfort caused by post purchase conflict (Kotler and Armstrong, 2010). Post purchase satisfaction or dissatisfaction is linked with the perception of product performance and quality including brand name, price, features and so on. Consumer engages a constant process to evaluate its purchases by integrating the products into their daily consumption activities (Solomon, Bamossy, Askegaard & Hogg, 2010).

### 2.1.5 Buyer decision process for innovation

According to Kotler and Armstrong (2008), adoption process is the mental process that an individual goes through from first learning about an innovation to final regular use. An innovation is a good, service or idea that is perceived by some potential customer as new.

The process including these five stages:

![Buyer decision process for new product](image)

**Figure 2.1.5**: Buyer decision process for new product (Kotler and Armstrong, 2008)

### 2.2 Electronic Commerce

#### 2.2.1 Definition

It exists many definition of Ecommerce however the following is a good one: “Electronic commerce is doing business. It is about the utilisation of digital power to understand the needs and preferences of each customer and then to deliver the desired product or service with the best possible timing” (Vacca and Loshin, 2002).
Technology of e-commerce determines what can be offered to customers however only customers can decide to use this technology or not. The key to success of E-commerce lies in knowing customer. A lot of E-commerce research link with the observation of consumer behavior, value and satisfaction (Lin, 2003).

2.2.2 Trust in E-Commerce environment

Trust has a vital influence on consumer activities thereby on e-commerce success. Trust characteristics are reflected in online transactions, where a customer cannot have a relationship face to face with the seller or try the merchandise to check the quality. On a web site, people perceive more risk than in a traditional shopping store and trust in the main condition to consumer e-commerce participation (Corbitt, Thanasankit & Yi, 2003).

Companies have to work hardly to build and keep customers’ trust and more in E-commerce environment. Trust will be built over time, over each purchase and over many transactions and will have the same value for both firm and customer (Steward, Callaghan & Rea, 1999).

Customers should trust in sellers in that they can provide their needed goods and services and are able to distribute them if necessary. Trust creates a psychological relationship which is established between both parties to transactions in order to maintain their business relationships or reach some pre-determined goal (Corbitt, Thanasankit & Yi, 2003).

When people trust in each other, it means that they keep their promises they made during their business relationship. In the virtual market environment, buyers usually see pictures of their goods to be purchased, not the goods themselves. Many promises about the quality of goods and services and made, but are they all fulfilled? (Corbitt, Thanasankit & Yi, 2003)

Trust is essentially seen as a mechanism for reducing the perceived risk of transactions through increasing the predictability of positive output and perceived confidence about the expected behavior of a trustee (Corbitt, Thanasankit & Yi, 2003).
2.2.2.1 Payment security system

The first fear of consumer is to lose their money in the E-transaction. Security of electronic payment and confidentiality of transactions allow reassuring customer on the perceived risk.

According to Vacca and Loshin (2002), payment process has the same stages in the online world than in the real world with a exception which is the card at the transaction. It means that the merchant has to do some verification about the card owner. These verifications allow to be sure that the actual card user is the true owner and not a robber. The payment process is represented like the following:

- A customer decides to make a purchase on a website, proceeds to checkout, and inputs credit card information.
- The merchant’s website receives customer information and sends transaction information to the payment gateway.
- The payment gateway routes information to the processor.
- The processor sends information to the issuing bank of the customer’s credit card.
- The issuing bank sends the transaction result (authorization or decline) to the processor. Then, the processor routes the transaction result to the payment gateway.
- The payment gateway passes result information to the merchant.
- The merchant accepts or rejects the transaction and ships goods if necessary (Vacca and Loshin, 2002, 297).

2.2.2.2 Website quality

The second fear of customer is that is can find enough information about the desired product. The website quality allows to decrease this fear. According to Kuan, Bock & Vathanophas (2008) who cite Straub and Watson, the website is the primary interface for customer user in internet business, this is why is very important to take care of the website quality to be effective and successful.
Website quality has a huge role in initial purchase intention and encourages continued purchases intention. As Kuan, Bock & Vathanophas (2008) said by citing Davis (1989), intention of initial purchase refers to the likelihood that a potential customer will purchase from an E-commerce website for the first time, while intention of continued purchase refers to the likelihood that an online customer will return to the website and purchase again in the future.

Website quality is determined by three characteristics: perceived system quality, perceived service quality and perceived information quality. The purchase intention and special initial purchase intention is positively encourage when these three factors are presents (Kuan, Bock & Vathanophas, 2008).

**Figure 2.2:** Effects of website quality (Kuan, Bock & Vathanophas, 2008).

### 2.2.2.3 Customer relation management and E-customer relation management

According to Kotler and Armstrong (2010), online marketing refers to company efforts to market products and services and build customer relationships over the website. This new king of customer relationship needs a special type of management.

Customer relation management is the strategy used to create closed customer relationships, also called CRM (Kotler and Armstrong, 2008). According to Kotler and Rogers (2004), the aim of CRM is to establish good link between company and its customers. To achieve this goal, companies have to take care on each customer and their needs.
According to Lee-Kelley et al. (2003), E-CRM concerns the marketing activities, techniques and tools, delivered by using digital channels such as website and social media. Through the website, company has to build a sustainable relationship with its customers to increase customer’s trust. Company can also use emails to establish a contact with customers and personalise each relationship.

2.3 Trust and consumer behavior in E-commerce

2.3.1 Characteristics of consumer behavior in E-Commerce

Motivation in E-commerce is divided in two types: need motivation and psychological motivation. Need motivation refers to find in the virtual word related product to be satisfied. Psychological needs characteristics are emotional motivations such as purchases are encouraged by emotion, feelings. It shows the lack of rationality of consumer for certain purchases. Psychological needs characteristics also are sensible motivations when someone has a deep knowledge about shopping and goods. It shows the customer rationality (Yang, 2010).

Others specifics characteristics can be observed about the consumer in E-commerce environment. Convenience means that the customer is not limited by time or space. It can buy product when he wants. Reliability and security are linked to the security of payment systems. Network security refers to the effective protection of your personal information capacity. The last characteristic is feasibility. Nowadays internet technology improvement allows having a speed internet access to everyone (Yang 2010).

2.3.2 Past purchase and intention to purchase on e-commerce

Intention to buy online is linked with the past experience in E-commerce. Knowing this past experience is very important to understand future customer purchases. Trust will be built over time, over each purchase and over many transactions and will have the same value for both firm and customer (Steward, Callaghan & Rea, 1999).
According to Komiak and Benbasat (2004), social presence is a central element of the social context and has been used extensively by modelling computer-mediated communication to measure its capacity to transmit personal and sociable messages. Social presence is a communicator’s sense of awareness of the presence of an interaction partner. For instance, face-to-face communication has a high social presence in comparison to electronic mail. Social presence on website allows increasing customer trust. According to Komiak and Benbasat cited by Weisberg, Te’eni & Arman (2011), past experience also allows the increasing of trust. Customer are more confident when in the past purchase meet with their expectations.

As defined by Kotler and Armstrong (2008), Word-of-mouth influence is personal communication about a product between target buyers and neighbours, friends, and family members and associates. Past purchase experience of others customers can have an important impact for the final customer decision. Word-of-mouth can be either positive or negative.

2.3.3 Our conceptual framework

![Diagram of the conceptual framework](image)

**Figure 2.3.3**: Our conceptual model (Amineur & Noceras, 2012)
We choose to make our conceptual model by combining two models: Maslow’s hierarchy and some factors, which have an influence on the customers during the purchase process according to us.

- **Motivation:** To make a purchase, customer needs some motivation. It can be to try an innovation or just to buy some food for the dinner. When the customer found this motivation, the first level is full.

- **Trust:** Trust is necessary in all kind of purchase. In a real store, trust is brought through the salesperson, however on a website, bring trust to customers is more complicate for companies. It is possible through website quality or E-customer relationship management.

- **Purchase intention:** It means when the customer found the product that he could buy. In a real store, this is when the customer try product in fitting room for a clothe for instance or when the customer put something in its online basket on a website.

- **Purchase experience:** It means all experiences that a customer has already had during its consumer life. It has a huge impact on the final customer decision.

- **Make the purchase:** The customer buy the chosen product. Its need is normally fulfilled.

This model works like the Maslow’s hierarchy. When the first layer is full, the customer can move to the next level.
3. Methods

In this part, we explain the different types of research methods and we analyze the types of data collection.

3.1 Methodological approach

We can use two methods of reasoning when we conduct a research: the deductive and inductive approaches (Bryman and Bell, 2007).

According to Saunders et al (2007), in deductive approach, theories are firstly developed and after they are translated into operational terms. Several stages have to be respected in deductive approach. First of all, the researcher needs putting forward a tentative idea or a hypothesis that forms a theory, then, gathering appropriate data in order to test the idea or the hypothesis and finally, the theory is confirmed if the conclusion passes the test (Bryman and Bell, 2007).

In contrary, in inductive approach, the researcher collects data and then develops a theory that is based on the analysis of those data. Consequently, the theory is the result of the research (Bryman and Bell, 2007). The inductive approach has to follow different stages. First, the researcher has to observe all facts and after these facts are analysed, compared and classified without hypothesis. From this analysis, generalisations are done and are subjected to further testing.

According our subject, we decided to use deductive reasoning. In fact, we did some research to acquire some knowledge about the topic of this thesis.

Firstly, we conducted a research about consumer behavior in general. Secondly, we did some research about E-commerce and trust in this specific environment. Finally, we linked consumer behavior and trust in E-commerce by making our own conceptual model.
3.2 Research design

The success of any marketing research is founded on the research design. A research design is the framework or a plan for a study that guides the collection and analysis of data (Sontakki, 2010). Professor F.N Kerlinger cited by Sontakki (2010) give a definition of research design as the following: «Research design is the plan, structure and strategy of investigation concerned so as to obtain answers to research questions and to control variance». The methods for conducting research are divided in two categories: qualitative and quantitative (Bryman and Bell, 2007).

Quantitative and qualitative information are complementary and a particular marketing decision may require both kinds of information (Nair, 2009).

According to Kolb (2008), there are two different types of marketing research methods being: quantitative research and qualitative research. The first one, quantitative research consists in collecting and analyzing all the information that can be transformed in numerical measurements. This information can be structured and organized in a form of market size, the size of market segments, purchase sequences, brand shares and so on. The most known example of quantitative method research is survey (Hague & Morgan, 2004).

The other one, qualitative research analyses and interprets collected information that cannot be numerically quantified (Parasuman, Grewal & Krishnan, 2006). Furthermore, qualitative research method can be defined as a study that it pretends to uncover consumer attitudes, beliefs and opinions instead of facts. Thus qualitative study ables to answer some questions such as, “Why?” or “What if?” However, it’s not easy to answer these questions; due to it’s difficult to know costumers thoughts and preferences (Kolb, 2008). Qualitative research calls for empathising with the consumer and understanding the meanings he or she attaches to products (in general) or brands (in particular) or other marketing elements. Here also research is conducted among a sample, usually a small one (sample size) with an attempt to extrapolate in any rigorous way to the total population (Nair, 2009).
There are some qualitative research methods such as focus group, interviews, observation, ethnography, etc … We will explain two known methods: Focus group and interviews.

The first qualitative research method is focus group. Focus group is the major research method for gaining insights into the consumer feelings and attitudes. Focus group consists to meet between 6 and 10 people with a trainer moderator to discuss about product, service or organization. The trainer moderator is responsible to keep and encourage the discussion and the responses (Churchill & Iacobucci, 2005).

The second one is interviews. According to Kolb (2008), an interview consists to review face-to-face another person to gain information about specific issue. The advantage of this method is that a professional researcher can ask many questions to research respondent and to obtain individual’s first responses and proves. The interviewer has time to explore the responses. However, it is not always is the best way because the research respondent will try to be polite by answering in the affirmative way. One disadvantage of interviews is that it necessary to spend a lot of time and money (Kotler & Armstrong, 2010).

**Figure 3.2: Focus Groups and depth interviews. (Churchill & Iacobucci, 2005)**
For the purpose of this thesis, we choose quantitative research because we try to have consumer opinion about the trust that they have in E-commerce. For this, we need a lot of different opinion and make an interview for each consumer would have been too long. So, we decided to make a consumer survey to have a maximum of answer in a minimum of time.

### 3.3 Research methods

In this part we explain the methodology that we will use to describe our research plan. First, we explain the different types of research methods and then we describe how we have collected the information.

According to Kotler & Armstrong (2010) marketing research consists in collecting, analyzes and reports relevant data report of segment to describe a specific market situation that involves the company. Research methods can help marketers to encourage and understand customer’s satisfaction and purchase behavior.

According to Green and Tull cited by Sontakki (2010), marketing research is "the systematic and objective search for and analysis of information is relevant to the identification and solution of any problem in the field of marketing".

![Figure 3.1: The marketing research process.](image-url)
3.3.1 Explorative research method

The exploratory research consists in a method to observe and to conduct an exploration of a main exploration issue. The basic purpose is to gain some general ideas about the main plan research and achieve better feelings about the main subject of our investigation. In our case, the main subject can be detected in just one question: “How can E-commerce people bring trust to customers to encourage purchase decision?” (Robert E. Stevens, 1997).

3.3.2 Descriptive research method

This method of research consists in describing specific details in a segment of consumers and their purchasing behavior. Descriptive research seeks to obtain a complete description of the situation and describes events. Unlike exploratory research, the descriptive research stem from substantial prior knowledge of marketing variables. It is used when the problem is clear and well-known. For this type of studies to be productive, questions should be designed to secure specific kinds of information which can be related to product performance, market share and competitive strategies for examples (Chisnall, 1997).

3.3.3 Causal research method

Causal research method consists to describe and identify co variation between two or more different variables. It helps to identify if it exists causal variation between variables. Thus, causal research helps to describe the degree to which one variable is causally related to another variable (Robert E. Stevens, 1997). The causal research consists in generating the type of evidence necessary for confidently making causal inferences about relationships between variables (Parasuraman, 1991). This research is used when different variables exist about the problem area. The aim is to answer a problem area by an experimenting method (Malhotra, 1996).

In the case of our thesis, we first decided to use a exploratory research to increase our knowledge about consumer behaviour and trust in E-commerce. When we acquired more knowledge
about the subject, we needed collect and analyze the data. For this, we chose to use a descriptive research. Our goal being to explain how people, working in E-commerce, do to bring trust to customers.

3.4 Data collection

Data collection is the process to obtain, analyze and interpret the information to understand the consumer behavior and satisfaction. In this thesis, we will collect both methods, primary and secondary data, in form of surveys and interviews. We have taken the firm “AMAZON” to analyze all the aspects that we need to be concerned of our thesis.

Figure 3.4: Process of data collection (Nair, 2009).

3.4.1 Secondary data

The first type of data collection is secondary data. This one is a type of data that already exists and can be collected for another purpose. Furthermore, secondary data has some advantages such as low cost,
speed, available and flexible. Some examples are investigations, internet, catalogues, statistics, newspapers, magazines, etc. (Kotler & Armstrong, 2010).

3.4.2 Primary data

Primary data refers to collect the data for specific research or study for the first time, primary data did not exist before. Thus, a disadvantage of primary data is that it can be longer and more expensive that the secondary data. (P. Kotler & G. Armstrong, 2010)

According to Wiid and Diggiines (2009) primary data can be collected in two forms: First one, quantitative research which includes surveys, observations and experiments; the second one, qualitative research that includes focus group and interviews.

We have chosen the qualitative research because the authors think that it can be interesting to see the point of view of customers and for that we need to question more people as possible so the survey is a good alternative.

3.5 Consumer Survey

3.5.1 The main goals of the qualitative questionnaire

Consumer Research: Consumer research deals with consumer and their problems and the solutions to these problems to better relations between the consumers and the marketing organization. The areas of consumer research are:

- Knowing the demographic features of consumers of both actual and potential.
- Identifying the consumer needs and expectation levels regarding products or services.
- Locating the factors governing the purchase decisions.
- Ascertaining the levels of consumer satisfactions (Sontakki, 2010).

According to Croxton and Cowdon, quoted by Sontakki (2010), it may be too expensive or too time-consuming to attempt either a complete or nearly complete coverage in a search study. Further, to assure a valid conclusion, it may not be necessary to enumerate all or nearly the whole inhabitants. We
may study a sample drawn from the large population and if the sample is adequately representative of the population, we should be able to assure all valid conclusions.

The authors of this thesis accumulated and analyzed primary data doing a survey on internet to help in the focus process. Collecting data directly fit the purpose and give us specific answers and conclusions about the focus purpose.

We have done a survey about the consumer behavior in E-commerce environment and the purchasing satisfaction in Amazon’s firm.

The aim of this paper is to explore and analyze consumer’s behavior in front of online purchasing in order to gather and study this information, we made a questionnaire.

The questionnaire is the common method used to research and explore the market. There are some types of one to one interactions to do qualitative questionnaires, as we can see in the next table:

<table>
<thead>
<tr>
<th>Strengths and Weaknesses of contact methods</th>
<th>Mail</th>
<th>Telephone</th>
<th>Personal</th>
<th>Online</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Flexibility</strong></td>
<td>Poor</td>
<td>Good</td>
<td>Excellent</td>
<td>Good</td>
</tr>
<tr>
<td><strong>Quantity of data that can be collected</strong></td>
<td>Good</td>
<td>Fair</td>
<td>Excellent</td>
<td>Good</td>
</tr>
<tr>
<td><strong>Control of interviewer effects</strong></td>
<td>Excellent</td>
<td>Fair</td>
<td>Poor</td>
<td>Fair</td>
</tr>
<tr>
<td><strong>Control of sample</strong></td>
<td>Fair</td>
<td>Excellent</td>
<td>Good</td>
<td>Excellent</td>
</tr>
<tr>
<td><strong>Speed of data collection</strong></td>
<td>Poor</td>
<td>Excellent</td>
<td>Good</td>
<td>Excellent</td>
</tr>
<tr>
<td><strong>Response rate</strong></td>
<td>Fair</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>Good</td>
<td>Fair</td>
<td>Poor</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

*Figure 3.4: Strengths and Weaknesses of contact methods (Tull & Hawkins, 1993).*
This table explains different forms to create questionnaires with those advantages and disadvantages. We have decided to do online questionnaires due to the best advantages which are: good flexibility and quantity of data collected. Doing online questionnaires is easier, quicker and cheaper to collect data. Moreover, online questionnaires have an excellent control of sample and speed of data collection. However, the control of interviewed is low.

3.4.2 Writing a questionnaire

According to P. Kotler & G. Armstrong (2010), an online questionnaire is the most common instrument to collect data. Questionnaires are very flexible and easy to interpret. There are some different forms for asking questions: first, Closed-end questions involve different ways to ask questions. Multiple-choice questions or scale questions are some examples. Second type of questions is open-end questions where respondents can answer in their own words.

On the other hand, Brace (2004) explains that the questionnaire can be divided in three sections or type of questions:

- Exclusion or security questions
- Screening questions
- Main questionnaire

Exclusion questions consist in a type of questions that exclude respondents from research some issue. Exclusion from age, profession, income, etc can be examples of exclusion questions. Normally, this kind of questions will be the first in order to identify and exclude the respondent.

Second part of the questionnaire, after the exclusion questions, is screening questions. This part tries to screen all of respondents to define smaller sample. The last part concerns when the main questionnaire can be planned. The main questionnaire might start with questions about respondent's behaviors and then following with specific questions (Brace, 2004).
In order to structure our survey (Appendix 1), we have decided to start it with some personal questions or exclusion questions such as gender and age. The main questionnaire is based on nine questions about the consumer’s behavior in E-commerce.

3.4.3 Choice of sample

In response to answer the main purpose, the authors have collected data by online questionnaire to try to know and understand better people’s behaviors in E-commerce.

Nowadays, Internet offers really good sources to do online questionnaires, in fact, we have used Fluidsurvey.com to write and analyze questionnaire. Then, we diffuse it on e-mails and social networks such as Facebook.

Our questionnaire is focused on consumer buying on E-commerce that is why consumers are asked. The targeted actors we chose in order to give a response to our purpose are anyone who can be linked with the electronic commerce.

In order to collect information about consumer tendencies and wants, we use simple random sample, that is the basic sampling technique where each individual is chosen entirely by chance and each member of the population has a probability of being included in the sample (Easton & McColl, 1997).

We used a list of friends on the famous social Network Facebook (www.facebook.com) for the election of consumers. We have chosen one friend of each four friends, and we have sent them the questionnaire. Some of these respondents have sent our questionnaire to people that have or know important and useful information for this paper. Using this approach, called snowball, a few potential respondents are contacted and asked whether they know of anybody with the characteristics that we are looking for in our research (Hennink, 2007).
3.5 Reliability and validity

Reliability, validity and generalization are terms that are often used when the verification of knowledge is discussed” (Kvale, 1997). In order to bring value to the thesis the marketing research has to be reliable. Validity and reliability can be discussed in different ways according to what type of research you do. “Reliability and validity are fundamental concerns in quantitative research but seem to have an uncertain place in the repertoire of the qualitative research” (Klenke, 2008).

3.4.1 Reliability

“Reliability is concerned with the question of whether the results of a study are repeatable” (Bryman and Bell, 2003) reliability is common in connection with quantitative research. We could consider a reliable measure when the results are consistent. Consequently, to make sure the results reliable, it's better to get some researches with the same method to compare both. However, assuming research is needed to compare and get similar results."Reliability concerns the extent to which a measurement of a phenomenon provides stable and consistent results" according to Carmines and Zeller (1979).

Joppe (2000) defines reliability as the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability, and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. The reliability of a study measures to what degree a study’s result can be repeated if an identical or similar research wants to be carried out. According to the fact that we try to generalize our findings to theory analogous to the way a scientist generalizes from experimental results to theory, we think that our thesis is transferable to similar case studies (Yin, 1989).

Concerning this work, we think that the thesis is reliable. If we will do another survey, maybe we will not find exactly the same results but similar results. A survey allows to have a maximum of opinion, so the results of this thesis can almost be generalised.
3.4.2 Validity

The validity of a study on the other hand concern the study’s credibility and results. In other words, it measures how the results correspond to the actual reality.

Validity is the most important criteria of research. According to Bryman and Bell (2003) "Validity is concerned with the integrity of the conclusions that are generated from a piece of research", validity means whether the results of our investigation really measure real and clear conclusions (Churchill, 2005).

Concerning this thesis, validity is high because our survey questioned real customers. By questioning existing consumers, the reality can only be respected. Conclusions done are based on clear and real facts and data.
4. Case study

In this chapter, we present all the elements defined in the theoretical part adapted to Pure players companies that we have decided to focus on: Amazon website. We present the definition of the pure players and an observation of the marketing tools they use during e-commerce.

4.1 Pure players

4.1.1 Definition

We decided to focus on pure players companies. Pure player means a business that started and operating in a single industry sector. The term was popularised to designate companies working only on Internet.

This term can be applied to electronic commerce, pure player not offering some stores where customers could come and physically make purchase. Pure players can finance themselves through advertising or by subscription. For a company, the choice to act in pure player may be motivated by speed of implementation, cost reduction, however also the choice of customers seeking this type of company. An example of a pure player is Amazon.com.

4.1.2 Amazon.com

In this thesis, we will analyze two types of data. First one, it will be the secondary data with some information about Amazon through internet and the second one will be primary data with a questionnaire done by internet.

First, we have to explain some items about history of Amazon to know better this firm.

Jezz Bezos founded Amazon.com in 1994. He starts the business in his garage in Bellevue, Washington home. At the beginning, Nick Hanauer, a businessman decided to invest $40.000 in the venture of Bezos idea and they decided to go online with the company. In 1995, a man named Tom Alburg decided to invest $100000 in Amazon which helped the company and a better looking website.
Later, when the people began purchasing books from Amazon, Bezos decided to create more than just a bookstore. Around 1997, Amazon.com had generated $15.7 million in revenue. The same year when Amazon went public, they decided to add movies and CDs to the website. In 1998, Amazon added some new items and new improvements. At the end of 1999, Amazon had got in ever a billion dollars in sales. In 2001 found Amazon lying off some workers. However Bezos had an idea: recruit other companies to sell their products online and the idea worked. Companies such as Target or Toys R us have agreed to sell their products through Amazon. Since he had the idea, Amazon is one of the most popular online vendors in the world today (Frey & Cook, 2004).

Amazon.com stock history.

Amazon started selling only books, but now they are selling more than books; his selections include books, e-books (for kindle), movies, music, games, electronic and computer, beauty products, clothing, toys and other items.

Amazon describes their vision of the business as to: “Relentlessly focus on customer experience by offering our customers low prices, convenience, and a wide selection of merchandise.” Amazon firm always works by thinking on the customer, thus they work hard for the customer to find everything
that they looking for at low prices. Customers can purchase a lot of products, however they can also sell their products like a second-hand products.

Amazon.com gets to be the best online seller with a good image and design of their webpage.

Figure 4.1 (2): the new design of Amazon

The main objective of the website is to encourage the major audience to purchase their products. Amazon gets this proposal designing attractive, clear and usability website. The website has three main ideas to get attention of the customer. The first one is in the “middle” of the website, where customer can take the first impression. The first impression for the customer is the most important, because this encourages customers to interest on it, and then customer may make purchase. In the middle of the website there is some products, the best products or the last ones.

The second important idea on the website is the left column, “Shop by department” where is possible to find all the products that you can consult or purchase later. In this column, you can find all the products divided in departments that you can buy in Amazon.

The third important idea is on the top of the website. On the top, there are four important options, such as:
• Search: there is an option where you can search easily the product that you want.

• Your account

• Shopping cart

• Wish list

“Your account” option permits you create and enter in your personal account. In your personal account you can do a lot of things, such as:

- Orders: view, modify, track or cancel an order.
- Payment: credit cards and gift cards.
- Settings: Password, prime and e-mail.
- Digital content: Kindle mp3 and downloads.
- Personalization: participation and public content.

In “Shopping cart” option, it is possible to add in a list all the products that you want, when you are looking for different products. It is such as in a supermarket, you can put all your stuff in your cart.

The last option, “wish list”, it is an option where you can create your wish list. This list remembers you stuff that you want to buy later and you can include products from any website.
To make a purchase in Amazon it is very easy and clear. Basically, You have to follow 4 clear steps:

- SIGN IN
- SHIPPING & PAYMENT
- GIFT-WRAP
- PLACE ORDER
In the first step, you need to create your personal account, where you can see all your purchases. Second step, “shipping and payment”, consists in introduce your address where you want to receive your purchase. Then, for the payment, you have to introduce payment method and number card. Amazon accepts a lot of credit and debit cards. It is very easy and clear to make the payment in Amazon.com. The next step is “gift-wrap” you can choose the wrap, if it is for a present or not. Finally, the last step is “place order” where you have to confirm the address, the payment and the finally purchase. The purchase is already done.

In Amazon.com there is an option where you can consult the main frequent question whether you have a problem. If you have any problem with the purchase, you have two ways to solve it.

1. CONSULT POPULAR TOPICS
2. SEND A MESSAGE BY E-MAIL, PHONE OR CHAT.

First, you can consult popular topics, if it is not too important. However, if you prefer more help or personal respond you can send a message from your personal account directly to Amazon by e-mail, phone or chat. They will respond as soon as possible.
Finally Jeff Bezos, creator of Amazon, define the firm in 3 big ideas:

1. Large selection: digital enables limitless inventory.
3. Low prices: digital allows high margin, lowest prices.

These three big ideas are the exit of Amazon, thus it is possible to know Amazon.com how the best online seller and, it is always thinking on the customer.

We have analyzed data collection from sources about consumer’s online purchase already collected such as “Nielsen Global Consumer Report”.

According to Nielsen Global Consumer Report (June 2010), 60% of people have ever shopped online. Worldwide Global online consumers have bought books (44%) and clothing (36%), in the first position of the top list. Furthermore, they have bought on the third position of the top list, airline tickets and hotel reservations (32%). Other engaging products and services involved online purchases include electronic equipment, cosmetics, computer hardware and videos/DVD's/games.

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<table>
<thead>
<tr>
<th>RANK</th>
<th>PRODUCT</th>
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<tbody>
<tr>
<td>1.</td>
<td>BOOKS</td>
</tr>
<tr>
<td>2.</td>
<td>CLOTHING/ACCESSORIES/SHOES</td>
</tr>
<tr>
<td>3.</td>
<td>AIRLINE TICKETS</td>
</tr>
<tr>
<td>4.</td>
<td>ELECTRONIC EQUIPMENT</td>
</tr>
<tr>
<td>5.</td>
<td>TOURS/HOTEL RESERVATIONS</td>
</tr>
</tbody>
</table>

Source: Nielsen Q1 Global Online Survey
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“Nielsen Global Consumer Report (June 2010)” asked to people who buy online a relevant survey question for our thesis, since it shows us the consumer behavior. The question is what kind of products they would not buy online without consulting online reviews before. 57 percent of online
respondents regard reviews before buying and the three most important online influences when making a purchase are consumer electronics (40%), cars (38%) and software (28%).

In the case of Europe, 79% of online European consumers have planned to purchase products and services via internet.

4.2 Consumer Survey Results

We did a consumer survey with a sample of 250 people. The answers were harvested in three week through internet and social website such as Facebook but also to question some people of our circle. The writing questionnaire can be found in the appendix 1.

![Pie chart showing 58% A man and 42% A woman]

**Question 1:** We can see that in the sample there are more women than men; however the sample is quite equal. It is important to have the opinion of men because people think only women buy on internet while this is not always true. For such a sample, it asked to be careful to whose we send the survey. If on Facebook, a lot of women answered to the questionnaire, we had to ask to some men to restore the balance.
Question 2: This question allows identifying what kind of people consist our sample. Obviously, we knew that by broadcasting on Facebook the questionnaire, population of our sample will be young, this why we tried to question older people in our circle. In other hand, we know that people who spent time on Internet are rather young, so Facebook, which is a social network, allowed having a diversity of people who are used to be on electronic environment. By seeing that our sample is composed by a young population, we can conclude that for this reason our work loses a little of reliability. The study can be done again taking care about the age of the sample.
Question 3: This graphic shows that the website Amazon.com is very famous. 92% of people know the website Amazo.com.

If yes, how did you know thos web site?

- By chance: 12%
- Advertising on web: 26%
- Word to mouth: 62%

Question 4: We can see that Amazon.com is so famous due to the word to mouth (62 %). In general when you talk to someone about a shop store, a brand or a web site there are two reasons: either you
like it and you want that your friends benefit of your discovery or you hate it and you warn them to be careful.

**Question 5:** We can see that bought online is nowadays a normal thing. People have less fear about the websites.

**Why do you not buy on this website if you answered no to the last question?**

**Question 6:** 38% of people said that they do not buy online and this survey shows the different reasons. For the answer “Others” we have the following possibilities: the website is not attractive, I do not buy often online, I need to watch and touch what I want to buy, I need not to buy online, online
purchases scare me, I prefer go in shop store, the pleasure of shopping in real stores and the last one is T do not know how works this kind of website.

**If yes, what were your purchases?**

- New products/Innovations: 2%
- Clothes/Shoes: 5%
- Books: 67%
- Everyday life products: 8%
- Electronic products/ video games: 18%

**Questions 7:** We can see that products the most bought are books and electronic product or video games. Books do not represent a lot of risk for the consumer such as a purchase.

**Were you satisfied of your purchases?**

- Very satisfied: 51%
- Quite satisfied: 39%
- Quite dissatisfied: 6%
- Very dissatisfied: 4%
**Question 8:** This question shows that more than half of people who bought online on Amazon were satisfied by their purchases.

![Pie chart showing satisfaction levels]

**Question 9:** We can see only three reasons why people can be dissatisfied: product quality, payment system security and time of delivery.

The main reason that people buy online is because they do not have time to waste in shop stores this is why they use internet. Another reason is because they search second hand product and this is uncommon in a normal store.
**Question 10:** This question shows that even if people are not always fully satisfied, the Amazon after-sales service has a good quality. It allows that people have some guarantee to give back products and it is a source of security.

**What do you think about the quality of the website?**

- Very bad quality: 0%
- Bad quality: 9%
- Good quality: 31%
- High quality: 60%
**Question 11:** More than 91% of customers of Amazon customer think that the website has a good or high quality. The quality of a web site is very important because it replaces the shop store environment.

**Question 12:** 63% of people find the website easy to use. Indeed, using the functionality of the website has not to be a purchase brake. Unfortunately, it is often due to the difficulty to order something online that people abandons their purchase.
Question 13: 6% of people answered “No” against 94% who answered “Yes” among people who already bought something on Amazon.com. In general people are satisfied to buy on this website.
5. Analysis

This chapter consists of the interpretation and analysis of the results explained in the empirical material. For analyzing the data, we take into account both the primary and secondary information obtained and we relate it with the theoretical framework, giving answers to our research questions and the purpose of this thesis.

5.1 Consumer behavior

5.1.1 Characteristics affecting buying behavior

According to the characteristics of consumer behavior in e-commerce customers need psychological and emotional motivation to encourage online purchase. However, online customers based their purchase decision on their own past experiences or family and friend experiences.

![Conceptual Model](https://via.placeholder.com/150)

**Figure 5.1**: our conceptual model (Amimeur & Noceras, 2012)
According to this figure, online customers need to satisfy this hierarchy of needs. The main objective is that all customers need motivation and trust in the purchase. In third step, if customers feel safe and motivated; they will consider purchasing experiences of family and friends (social factors). Whether these steps are satisfied, customers will get intention to purchase. So if these four steps are satisfied online customer will feel satisfied and finally they will make the purchase.

This pyramid is related with the hierarchy of needs from Maslow. In both pyramids people gets the self-actualization, in our model, customers get the self-actualization when they have satisfied all the steps, such as pyramid of Maslow.

According to the survey, we can identify two main questions that it shows consumer behavior and whether consumers trust in online purchasing or not. The first question is “Were you satisfied of your purchases?” This question identifies the satisfaction when customers are purchasing online. Moreover, the majority of the customers are satisfied and very satisfied with their purchase. However, only 10% of the people answered that they are quite dissatisfied and very dissatisfied.

The other main question to consider is “why were you dissatisfied?” with this question we can identify which are the main troubles when customers purchase on internet. According to the questionnaire, the majority (75%) answered that they are not satisfied with the security of the payment system, thus 25% of customers answered that they are not satisfied with the product quality. We can affirm the main trouble that the majority of the people finds when they purchase on internet is the security of the payment. So, people don’t trust to give their bank account or number card on internet because they do not know who is in the other side.

5.1.2 Types of buying behavior

According to Doyle and Stern (2006), there are six types of buying behavior. Actually, when we talk about online consumers and online purchasing, we can remove two types of buying behavior, since they cannot perceive a high degree of involvement in a online purchase. In fact, consumer just can perceive medium or low degree of involvement and high or low rationality.
About Amazon.com their consumers have a medium and low degree of involvement and a high or low rationality. According to this new matrix:

- **Limited problem solving**: In Amazon case, consumers have some information about the product and they are inclined seeking information. Therefore, consumers are familiar with online product.

- **Sensual decisions**: In the case of Amazon, consumers perceive the desire for pleasure rather than on a rationality assessment of the products. Further, Amazon conveys their customers with pleasure messages such as sensual images and fantasies.

- **Impulse decisions**: For example, in the case of Amazon their customers can buy by impulse, when they can see low prices and good quality product. In fact, Amazon is really known brand because it compete in the market by low prices.
5.2 Trust in E-commerce

In the references part we saw that consumers need a minimum of trust to buy on Internet, mainly if he has the choice between buying something in a shop store to try it and buying the same thing on a website without being able to touch it. The main advantage by buying online is a save of time and sometimes ‘time is money”. We can see with the survey that 68% of people have a problem with the delivery time. In these kinds of cases, people waste time and the electronic commerce advantage become a disadvantage.

As Corbitt, Thanasankitt & Yi (2003) said, people prefer go in a shop store and have a real relationship with a salesman because they perceive more risk to buy something online. According to the survey results, we can see that people like have a relationship with a salesman and have some advices this is why they prefer go in a shop store.

After sales service of Amazon.com allowed reassuring customers about their purchases. They know that if they do the bad choice they can come back and be refunded. Companies have to work hardly to build and keep customers’ trust and more in E-Commerce environment (Steward, Callaghan & Rea, 1999). It is very important that customer be fully satisfied while our survey shows that 10% of people were not satisfied about their purchase. E-customer relation management allows to be closed to these dissatisfied customers.

Customers should trust in sellers in that they can provide their needed goods and services and are able to distribute them if necessary. Trust creates a psychological relationship which is established between both parties to transactions in order to maintain their business relationships or reach some pre-determined goal.

The first fear of consumer is to lose their money in the e-transaction. Security of electronic payment and confidentiality of transactions allow reassuring customer on the perceived risk. According to Vacca and Loshin (200), payment process has the same stages in the online world than in the real world with a exception which is the card at the transaction. It means that the merchant has to do some verification about the card owner. These verifications allow to be sure that the actual card
user is the true owner and not a robber. We can see in the survey that a lot of consumer has problem with security of payment (27% of people do not buy online due to the payment security system and 20% of people who bought online are dissatisfied due to it too). People do not trust websites because they are not sure of where goes their money. Hopefully, nowadays payment security systems are more and more efficient and sure. Customer bank has to ask customer identification with some code such as date of birthday or a code sent on the customer’s phone. In Amazon.com, payment security system has a high quality as explained in the secondary data.

5.3 Trust and consumer behavior in E-Commerce especially

5.3.1 Characteristics of consumer’s behavior in E-commerce.

Consumers who buy on internet usually are rather young as we can see with the survey; 90% of these people are 35 years old or less. So this kind of buyer knows the electronic commerce environment because they grow up with.

There are four main characteristics in pure players in which the consumer has to trust to encourage the purchase and accelerate the buying decision making process:

- Payment system security
- Product quality
- Time of Delivery
- Website quality
- E-customer relation management and after sale service

Two of these fours reasons scare of the consumers. The first fear that they have is to lose their money but we already talked about this in the last part. Second customers’ fear is related with product quality. Consumers have fear to not have enough information about the product. Thus, online commerce you never know who is in the other side; neither you know what you will receive or where you paid for it. Consequently if consumers don’t have enough information about the product, they cannot trust in the transaction. Accordint to Kuan, Bock & Vathanophas (2008) who cite Straub and Watson, The web
site is the primary interface for customer user in Internet business, this is why is very important to take care of the website quality to be effective and successful. The website Amazon.com is famous; this allows being reassuring for people who have naturally trust with success brand. Moreover, 91% of people think that this website as a good or high quality and 63% think that it is easy to use and clear.

Website quality has a huge role in initial purchase intention and encourages continued purchases intention. As Kuan, Bock & Vathanophas (2008) said by citing Davis (1989), intention of initial purchase refers to the likelihood that a potential customer will purchase from an E-commerce website for the first time, while intention of continued purchase refers to as the likelihood that an online customer will return to the website and purchase again in the future.

Website quality is determined by three characteristics: perceived system quality, perceived service quality and perceived information quality. The purchase intention and special initial purchase intention is positively encourage when these three factors are presents. When customer comes on a store website, he generally searches information about product that the firm is selling.

5.3.2 Past purchase and purchase intention in pure players

According to Steward, Callaghan & Rea, (1999), trust built through each purchase. Each time that a customer is not fully satisfied, company loses a little customer trust further if the purchase is on pure player company. Next time customer will prefer in a real shop store rather taking some useless risks to be dissatisfied.

The survey shows that 10% of people bought on Amazon.co.m were dissatisfied by their purchases. It means that theses customers has a bad post purchase behavior in electronic commerce and especially in pure players companies.

Online consumers always have based their knowledge in past experiences; essentially, the first experience is the most important. If consumers have had a good first experience, they will continue to purchase in online environment, however, if consumer have had a bad first experience, they will not want to buy and they will not trust in e-commerce environment. Whether consumers have had bad
experiences, they need time to adapt and trust again in online environment. A good after sales service is important because it can save a bad purchase experience. The survey shows that 10% of customers are dissatisfied by their purchase but only 6% do not want buy something on this website in the future. So, it means that 4% that people were dissatisfied by their purchase but convinced by the after sales services. On the other hand, the 6% of people totally dissatisfied are lost customer but also bas advertising for the website Amazon.com.

Motivation in E-commerce is divided in two types: need motivation and psychological motivation. Need motivation refers to find in the virtual word related product to be satisfied. On Internet and especially on this website, people can find some product that they cannot find in a shop store such as second hand books. Of course, it is possible to find second hand book in a store but it more practical in a website as Amazon.com. By buying online people need to win time. The question 9 shows that 68% of people are dissatisfied by the delivery time. So the main advantage of a pure player can be transformed in disadvantage.

Psychological needs characteristics are emotional motivations such as purchases are encouraged by emotion, feelings. It shows the lack of rationality of consumer for certain purchases. Psychological needs characteristics also are sensible motivations when someone has a deep knowledge about shopping and goods. It shows the customer rationality (Yang, 2010). When someone already knew the product, he needs not salesperson’s advices; so going in shop store is really a waste of time. Moreover, in e-commerce environment, people have the possibility to compare the different prices that firms propose for the product and sometimes have more choice than he could have in a shop store.

To sum up, trust is brought in E-commerce through the website quality, E-customer relationship management, product quality. E-customer relation management is reinforced by the after sale service that each customer can join via email.
6. Conclusion

In this last chapter, the general findings and results of the thesis are exposed, together with the contributions. First, we sum up the thesis answering the research questions and the purpose made in the first chapters. These results can contribute to increase the knowledge of both parties, and leads to interesting further researches around the same topic.

6.1 Limitation

This thesis has some limitations. The first one is the case study of this work. We analyse only one firm so we cannot be sure that we found the same result with another company. We make a survey to waste time; however with interviews the results of the research would have been more accurate. Maybe customers’ feelings and opinions could be more detail and analyse.

6.1 Conclusion

Finally, at this point of the study, it is possible to put everything together and draw a conclusion. To achieve the purpose of this thesis; this is to explore the trust in e-commerce environment.

Trust is more and more present in E-commerce environment. It explains why people buy more and more online. We saw that a lot of typical characteristics of pure players are really advantages. First is the website quality; this is the interface between firm and customers instead of a salesperson. Companies totally understood the importance of it and are careful with the quality and the ease of use.

Second is product quality. Customers cannot touch or try the product however is not for this that firm has to mislead people with the articles. The consequence will be double: customers will be dissatisfied and will make a bad advertising fort the company and the refunded will be unavoidable.

Third one is payment security system. It is more and more efficient with a lot of verification such as the customer’s birthday date, to improve and increase the customer trust.
Fourth is time of delivery. Pure player is liked with a win of time because people need not to go in a shop store to buy the desired product. However if the delivery time is not respected, the customer can be very dissatisfied mostly if the product never arrived.

The last one is E-customer relation management. This is maybe the most important point. With the after sale service, the firm shows to people that it care about customer’s delight and post purchase behavior.

6.3 Further research

The problem of trust brought to customer by companies through the E-commerce is a huge question to understand the purchase process and decision on internet. This question was discussed a few times and he was very interested to find many books talking about trust in E-commerce and consumer’s behaviour. Maybe the study can be depth with consumer interviews to collect more consumer’s feelings.
7. References

4.1 Books


4.2 Scientific Articles


### 4.3 Web Sites

8. Appendices

Appendix 1: Consumers survey.

1) Are you?
   - A man
   - A woman

2) How old are you?

3) Do you know the website Amazon.com?
   - Yes
   - No

4) Did you already buy something online in this site?
   - Yes
   - No

5) If yes, what were you purchases?
   - New products/ innovations
   - Books
   - Clothes
   - Everyday life products
   - Others

6) If you answered « Others », can you specify?

7) After your purchases, were you satisfied?
   - Very satisfied
   - Quite satisfied
   - Quite dissatisfied
   - Very dissatisfied
8) If you answered that you were dissatisfied, why were you?
   - Quality of products was not good
   - Payment security
   - Delivery
   - Postage
   - Others

9) If you answered « Others », can you specify?

10) If no, why do you not buy online in this site?
   - Quality of products was not good
   - Payment security
   - Delivery
   - Postage
   - Others

11) If you answered « Others », can you specify?

12) What do you thinking about the after sales service of Amazon.com?
   - Efficient
   - Inefficient

13) What do you thinking about the quality of the website Amazon.com?
   - High quality
   - Good quality
   - Bad quality
   - Very bad quality

14) What do you thinking about the use of Amazon.com?
   - Clear and easy
   - Could be easier
   - Hard to use
15) In the future will you buy something else on the website Amazon.com?

- Yes
- No