

THE EFFECT OF PRICE, BRAND, AND OTHER FACTORS ON THE ONLINE PURCHASE DECISION-MAKING PROCESS IN THE CONTEXT OF RUSSIAN AND CHINESE CONSUMERS

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ABSTRACT

The study examines the differences in online consumer behavior compared to two countries' samples. In particular, the study investigates how differences in consumers' behavior in their predispositions towards a price, brand, and other factors. The study conducts a cross-cultural analysis of Russian and Chinese consumers. The sample size of the research is 768 consumers from both countries. Drawing from the consumer behavior literature, the study presents a research model of online purchasing decision-making behavior. The findings showed differences in the online purchase decision-making process across both countries' samples. Specifically, the research identifies that the significant factor for online purchase for Chinese consumers is product brand. However, for Russian online shoppers, the price is a significant factor in the evaluation stage of the online decision-making process. Additionally, the study found that Chinese consumers check an online shop by using links on social media. At the same time, Russian consumers did not experience much online purchase dissatisfaction compared to Chinese consumers. Thus, the study improves understanding of the decision-making process of online consumers and their process outcomes in the context of price and brand. The findings are useful for online and offline retailers seeking to improve the way they support online shoppers throughout the decision-making purchasing process.

Keywords: online purchase decision-making process, price, and brand.

THEORETICAL BACKGROUND

An increasing number of consumers engage in online retailing purchases [11]. However, even though electronic commerce is proliferating, our understanding of e-consumer behavior is still limited [6]. Furthermore, Internet purchase behavior does not necessarily follow traditional consumer purchase behavior. Therefore, developing new models of consumer behavior will help businesses enhance their understanding of their consumers and market segments, leading to increased profitability [16].

In line with Hoyer and MacInnis [9] and Nguyen et al. [14], the study defines consumer behavior as 'the totality of consumers' decisions with respect to the acquisition, consumption, disposition of goods, services, time and ideas by human decision-making units.'

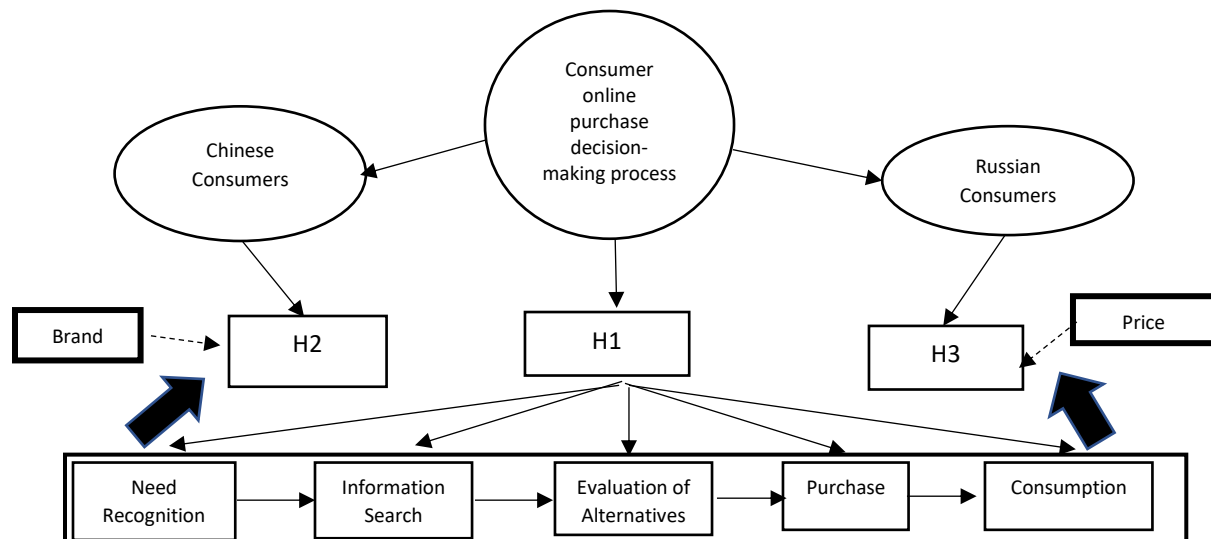
A significant number of studies in the fields of psychology, marketing, information systems, and operations management have identified various factors that encourage consumers to online shopping [8] [1] [18] [19] [15] [20] [3] [5] [13]. However, there are still gaps in our knowledge of how different individuals engage in purchase decision-making processes and how multiple factors affect such processes. For example, the Nguyen et al. study [14] indicated that the current literature on online consumer behavior focuses mainly on using marketing tools to improve consumer service levels. Therefore, there is a need to shift the focus from investigating the adoption of Internet shopping to exploring actual online consumer behavior and identifying distinctive factors motivating their decision [11].

A number of studies have explored online behavioral variation, taking into account other characteristics such as order-fulfillment operations [14], prior consumer knowledge and decision-making style [11]. Several variables, such as price, brand, and others, are used in this study to investigate the online purchase decision process. These questions have been explored in prior research. The study also compares and contrasts two countries' consumer samples, such as Russian and Chinese. A few theoretical studies highlight the real evidence contributing to both factors focused on those two countries' samples. Additionally, the study highlights the findings of prior studies and provides a better understanding of how price and brand affect consumers' online purchase decisions. In addition, our approach provides a better understanding of other factors that affect online decision-making purchase as we provide a framework of features and crossing points. This paper investigates the differential effects of price, brand, and other factors on consumer online purchase decisions in two countries. We analyze consumers in two country samples, taking into account the online decision-making process stages.

RESEARCH MODEL AND METHODOLOGY

The design of the research model was enhanced to investigate the differences between consumer behavior in online and traditional store purchases in two samples: Russian and Chinese consumers. Differences between traditional store purchases and consumers have made online purchases distinct from traditional in various aspects, including consumer behavior [7]. Thus, the research model was developed for Russian and Chinese cases, pictures 1.

Picture 1: Proposed Research Model



In this context, there is the probability that Russian and Chinese consumers' online behavior will differ. Thus, the frameworks of the hypotheses were developed for Russian and Chinese cases:

Hypothesis 1: The online purchase decision-making behavior is different for Russian consumers than Chinese consumers.

The dynamic of online purchasing increases rapidly, and consumer behavior changes simultaneously. One research identified that information provision and brand presentation are the main differences between online and traditional store purchases [17]. Additionally, consumers may be able to recognize other factors of online purchase, such as product price. Hence, there is the expectation that price and brand will be important factors in consumer behavior in terms of online purchase. More hypotheses were developed:

Hypothesis 2: For Chinese consumers, a brand is an important factor for online purchases.

Hypothesis 3: For Russian consumers, price is an important factor for online purchases.

The research can be better comprehended by discussing the methodology used in the study. In this context, the study integrated a quantitative method to attain the desired outcome. Specifically, it involved conducting a questionnaire survey among consumers in Russia and China, see table 1. The Russian data was collected from three hundred eighty-nine respondents, including Russian business students and other participants from various demographic characteristics. The Chinese data was collected from three hundred ninety Chinese consumers from Northwest of China.

Table 1 Scale items measurement

Scale Items
<u>Motives:</u> I make an online order when I cannot find a product in a traditional store. I make an online order (instead of a traditional store) when I need a specific product. I check an online shop every day. I check an online shop if I receive coupons by email or text. I check an online shop by using links on social media.
<u>Sources of information:</u> I search for an online product by using online search tools. I search for an online product by using social media.
<u>Important evaluative factors:</u> Price is an important factor for me when I make an online purchase. A brand is an important factor for me when I make an online purchase.
<u>Important factors that influence an online purchase:</u> I often do not satisfy with online purchases. I often have a hard time making an online purchase decision.

The primary data were collected from seven hundred seventy-nine respondents from both countries to examine the research model. It was further ensured that all the participants remained anonymous. However, eleven participants did not provide completed answers. Thus, the data collected from seven hundred sixty-eight participants were considered. Eleven items were considered to measure need recognition, information search, evaluation of alternatives, and purchase stages of the online decision-making process in the study.

The measurement of the scale items to calculate the consumer behavior previously discussed are shown in table 1. The study employed a scale ranging from 7-strongly agree to 1-strongly disagree to carry out the measurements.

RESULTS AND DISCUSSIONS

The results of the descriptive analysis of the online decision-making process in Russian and Chinese samples are presented in Table 2.

Table 2. Stages of the online purchase decision-making process and survey results (Russian and Chinese consumers)

Decision-making process stages	Russian consumers (points)	Chinese consumers (points)
1. Need recognition <u>Motivation:</u> <ul style="list-style-type: none"> · Make an online order if cannot find a product in a traditional store. · Make an online order if need a specific product. · Check an online shop every day. · Check an online shop if received coupons by email or text. · Check an online shop by using links on social media. 	5.60 3.42 5.60 2.96 2.46	5.30 5.30 5.68 5.79 5.79
2. Information Search <u>Sources of information:</u> <ul style="list-style-type: none"> · Search an online product by using online search tools. · Search an online product by using social media. 	3.88 2.84	5.50 5.50
3. Evaluation of Alternatives <u>Important evaluative factors:</u> <ul style="list-style-type: none"> · Price · Brand 	6.23 3.88	6.20 6.70

4. Purchase		
<u>Important factors influence an online purchase</u>		
· Often no satisfaction with purchases.	2.38	4.00
· Often have a hard time making a purchase decision.	4.23	5.83

The descriptive analysis shows that H 1 is supported by data. This means that differences in the online purchase decision-making process were found across both countries' samples. Specifically, Russian consumers make an online order when they cannot find a product in a traditional store (5.60 out of 7.00). Instead, Chinese consumers make an online order when they need a specific product (5.30). The differences also were found in the consumer motivations. For example, our results show that Russian consumers check an online shop if they received coupons by email or text (2.96), and the same consumers make an online purchase if they cannot find a product in a traditional store (5.60). Our findings support Kang et al. study [10] that online searching significantly affects the intention to use e-coupons.

Meanwhile, most of the time, Chinese consumers check an online shop by using links on social media (5.79). Our study supports other research that consumers who gather information from social media (discussion) reported more significant interest in online purchases [2]. Our findings indicate that a company's social media presence is an important factor for Chinese consumers. It relates to their purchase opportunities through social media. Our findings support Dash and Saji research [4] that a company's Web site social-presence positively influences the consumer's intention to online purchases. Both countries' findings show that consumers shop online almost every day (5.60 and 5.68).

Additionally, the information search stage of the online decision-making process in the two countries' samples is different as well. The study found differences in terms of sources of information consumers use to search for an online product. For example, Russian consumers search online products using online search tools (3.88). On the other hand, Chinese consumers search for online products using social media (5.50).

Regarding the evaluation of alternatives stage, as predicted in the samples of both countries, hypotheses 2 and 3 were supported. Thus, Russian consumers recognized price as an important factor for online purchases (6.23). Nevertheless, this research shows that Chinese consumers, in addition to the brand, identified price as an important factor for online purchases (6.70).

The last stage of the online decision-making process is the purchase stage. The study found that Chinese consumers have a hard time making a purchase decision (5.83) and are not satisfied with their purchases (4.00) compared to Russian consumers. Interestingly, Russian consumers have a low dissatisfaction with their purchases (2.38 out of 7.0). These findings can be explained that Russian consumers had a less negative experience with their previous online purchases. This conclusion is based on Menon and Kahn study [12] that consumers have a positive impact on the online purchase if the previous experience encountered in a simulated online shopping trip is higher in pleasure.

In conclusion, the study improves understanding of the decision-making process of online consumers and their process outcomes in the context of two cases: Russian and Chinese. The findings are useful for online and offline retailers seeking to improve the way they support online shoppers throughout the decision-making purchasing process

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