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DIPLOMA THESIS



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Traditional shopping experience vs. online shopping experience of electronic products:
Determinants of Consumer Buying Behavior.

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STUDENT'S DECLARATION

I declare that this Diploma thesis is my own work, and the bibliography contains all the literature that I have referred to in writing of the thesis.

I am aware of the fact that this work will be published in accordance with the §47b of the Higher Education Act, and I agree with that publication, regardless of the result of the defended thesis.

I declare that the information I used in the thesis come from legitimate sources, ie. in particular that it is not subject to state, professional or business secrets or other confidential sources, which I wouldn't have the rights to use or publish.

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SUMMARY

1. Main objective:

The main objective of this thesis is to provide an improved understanding of the factors that influence the search of information online and in physical store regarding electronic devices, as well as the factors that influence and motivate consumers during the shopping experience to buy both online and in store.

2. Research methods:

A qualitative study was carried out based on in-depth interviews to three experts in online purchases of electronic devices, plus a quantitative research through an online eSurvey Creator form, the survey was answered for 103 Mexican participants during the months of June and July 2017 with the objective of knowing all the details about online and offline buying experience regarding electronic devices.

3. Result of research:

A high proportion of the participants are open and familiarized with online shopping (around 70%) however they still prefer to buy in store because for them is important to see the product and to get it as soon as they want it, but if during the search information process, they find a good price or payment alternatives they are willing to wait for the product.

4. Conclusions and recommendation:

Online search and e-commerce have transformed the way of buying as well as consumer behavior during the last years, Mexican consumers are open and familiarized with online shopping however they still prefer to buy in store because for them is important to see the product and to get it as soon as they want it. On the other hand, it can be observed that consumer is willing to wait for the product as long as they buy the product for a significant lower price or under promotion conditions. For this reason, it is recommended a system where the website complement the physical store.

KEYWORDS

Consumer behavior
Buying experience
Marketing
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1. INTRODUCTION

The constant technological advance during the last decade has led to the emergence of new ways of communication and transaction. That is why the internet has taken great importance in the purchase and sale of any product or service, this advance has made the virtual environments become in to communication platforms and information shared between users and consumers at any time and place in the world, where it is possible to interact, share experiences and knowledge, as well as facilitate the consumer decision-making process related to specific products and brands.

All these changes have revolutionized and transformed consumer behavior, motivating them to be more informed about prices and variety of products, however, it is common to find consumers who base their offline purchases on data and information found on online platforms, provided by opinions of other consumers as well as the information that the user can obtain from the website of the product. This has become one of the most influential social phenomena in communication in recent years for both consumers and companies, all this information generated and required helps consumers during the purchase decision process and companies in the definition of the new marketing strategies that can be implemented, allowing the constant adaptation to the changes of trends, in order to be able to combine in a certain point their strategies online and offline.

Through these new digital environments, consumers are actively and directly involved in generating information about what they are looking for as well as their tastes and needs, which is very useful for companies when making decisions regarding their future business models and plans.

This new way of buying products, supports potential buyers to have more information about the products and services of a certain company as well as to have a better knowledge of the brand and supports companies to be closer to its customers.

Due to the previous approach, there are several studies with the objective of understanding the new consumer behavior in the online context, proposing different models for their analysis.

Searching information online has been advantageous for the consumer since it has decreased the effort involved, mainly in the comparison of attributes and prices, as well as the considerable reduction of costs related to this activity in a matter of time and displacement.

However, there is not currently complete clarity regarding how the search is conducted during traditional purchase against the new ways of online information search and purchase.

In this context, it is fundamental for the success of companies to be present in digital media since the search of information is one of the first and main steps in the decision-making process in consumer behavior, the consumer's search of information becomes the way and moment where companies can motivate and capture the attention of the potential customer, through internet.

Mexico is one of the largest countries in terms of the highest internet number of users, about 53.7% people use internet (Internet World Stast, 2017). The average internet connection time in Mexico in 2017 is 8 hours with 1 minute, 47 minutes more than in 2016. The internet has exceeded the time Mexicans watch television (three hours three minutes) and listen to radio (two hours 50 minutes) 52% of Internet users in Mexico are online 24 hours a day. The hours of more traffic are from 14 hours to 16 hours and at night from 21 hours to 24 hours. The search for information is one of the main uses of the Internet in Mexico being in the fourth position, in the eleventh position online shopping. The internet in Mexico has achieved a change of habits in its users. (Association of Internet.mx). How Mexican consumers search for pre-purchase information online is therefore an appealing topic of research.

The present thesis is developed within the marketing branch that concentrates consumer behavior and at the same time the transformation the buying experience thanks to the constant technological changes, specifically to study the factors that define consumer behavior in an environment of traditional purchase against buying behavior in virtual platforms, studying the variables that interfere in that process that finally concludes in a purchase, specify the particular characteristics of a digital environment and how the consumer use it as an information search tool, since this has caused that the collection and search of information is differentiated in many factors of its execution in a context of traditional purchase.

In this sense, the first objective of this study is to identify the factors involved in the searching process of price information in the on-line environment and if this impacts on the physical store. As second objective, to know the characteristics of consumer behavior of 25 to 35 years online and in physical stores regarding electronic products. The third objective is to determine the motivations of consumers which buy online and traditional way, find out why they prefer to buy online or why they prefer to buy in a physical store. Fourth objective, know through which electronic device online consumers prefer to make their purchases and fifth objective to know how the appearance, colors and interface, influence process of buying online experience.

The main objective of this thesis is to provide an improved understanding of the factors that influence the search of information online and in physical store regarding electronic devices, as well as the factors that influence and motivate consumers during the shopping experience to buy both online and in store. The obtained results will help to understand the implication of internet use in both search and purchase behavior and shopping experience, by analyzing behaviors of individuals who visit shopping centers or physical stores and the effects of Internet use on his behavior. The results of this research can help e-commerce and traditional marketing managers to develop tactics that engage users and enhance online experience with traditional shopping experience.

2. THEORETICAL – METHODOLOGICAL PART

In order to define a theoretical frame of reference on on-line and traditional consumption experiences, the first chapter of this paper presents a literature review on consumer behavior.

First, it will be reviewed different perspectives from which the behavior of the consumer has been studied. Next, the identification and description of those factors, both internal and external of the human being that influence their consumption behavior.

Likewise, the most relevant models of consumer behavior will be reviewed, key psychological processes, E-Commerce and M- Commerce marketing practices.

2.1 Influences in Consumer Behavior

By the different approaches of the study of human behavior, it has been identified those elements of the environment in which the human being is immersed and influence his conduct and his consumption behavior.

The following are some of the most frequently treated external variables; Such as culture, social class, reference groups and personal factors.

2.1.1 Culture

Culture is the accumulation of shared meanings, rituals, norms and traditions among the members of an organization or society. It is what defines a human community, its individuals, its social organizations, as well as its economic and political systems. It includes both abstract ideas, such as values and ethics, and the material objects and services, such as cars, clothing, food, art and sports, that are produced or valued by a group of people. Thus, individual consumers and groups of consumers are but part of culture, and culture is the overall system within which other systems are organized. (Solomon M., 2006).

Culture is considered something that satisfy needs since it provides rules to its members, rules and guidelines, which not only evoke order but also provide a sense of security and well-being; Culture is acquired in a process of continuous learning, which the individual receives and assimilates through contact with society and with certain beliefs, values and customs. Also, it is assumed that culture is a social manifestation, since it is shared by the different members that comprise it. In fact, human being by nature is a social being that habitually coexists in a group and establishes bonds in society.

According to these reflections, it is convenient that in general, culture is considered in the marketing decisions of a company, and their strategies are adapted according to the cultural differences of the target audience to which it is directed.

A consumer's culture determines the overall priorities he or she attaches to different activities and products. It also determines the success or failure of specific products and services. A product that provides benefits consistent with those desired by members of a culture at any point in time has a much better chance of attaining acceptance in the marketplace. It may be difficult to guess the success or failure of certain products. (Solomon M., 2006).

Each culture consists of smaller subcultures that provide more specific identification and socialization for their members. Subcultures include nationalities, religions, racial groups, and geographic regions. When subcultures grow large and affluent enough, companies often design specialized marketing programs to serve them. (Keller, 2012).

The relationship between consumer behavior and culture is a two-way street. On one hand, products and services that resonate with the priorities of a culture at any given time have a much better chance of being accepted by consumers. On the other hand, the study of new products and innovations in product design successfully produced by a culture at any point in time provides a window on the dominant cultural ideals of that period. (Solomon M., 2006).

Lastly, it is understood that culture is dynamic and open, evolves to the benefit of society, allowing the individual to adapt progressively to changes in the environment caused by social interaction.

2.1.2 Social Class

Throughout the history of the human species, in all societies there has been some form of class structure or social stratification. In contemporary societies, evidence that there are social classes is this common reality that people with more formal education or those with more prestigious occupations, such as doctors and lawyers, are often more appreciated than those without impressive occupations

Social class is considered a range of social positions where each member of society can be located, which is divided into a small number of social classes or specific stratification. In this context, the concept of social class is used to assign individuals or families into a category of social class. According to this practice, social class is defined as the division of the members of a society into a hierarchy of classes with distinctive status, so that the members of each class have relatively the same status (Shiffman, 2010).

Social classes are considered dynamic because the ascription of their members in different ranges is not usually established permanently and rigidly, but is exposed to movements and alterations over time. Social classes are often considered hierarchical, while their different ranks

or classifications are configured based on order that meets the criteria of superiority or inferiority.

Hence, members of the same class not only feel part of it, but also show some solidarity with other individuals of the same category. In addition, social classes are assumed to be antagonistic, since members of different classes tend to have some antipathy, and tend to occupy opposing or rival positions. Social classes are often considered multidimensional concepts because they require different variables (such as occupation, income level, wealth, prestige and education mainly) to distribute the members of a society among them. That is why the process of measuring social classes is often perceived as complex.

One classic depiction of social classes in the United States defined seven ascending levels: lower lowers, upper lowers, working class, middle class, upper middles, lower uppers, and upper uppers.

The way that social classes is classified in Mexico is defined by socioeconomic levels (NSE). NSE index is the standard, based on statistical analysis, which allows to group and classify Mexican households in seven levels, according to their capacity to meet the needs of their members in terms of: housing, health, electricity, technology, prevention and intellectual development. The satisfaction of these dimensions determines their quality of life and well-being. NSE segments are classified in seven descending levels: A/B, C+, C, C-, D+, D and E (AMAI, 2017).

Social class members show distinct product and brand preferences in many areas, including clothing, home furnishings, leisure activities, and automobiles. They also differ in media preferences; upper-class consumers often prefer magazines and books, and lower-class consumers often prefer television. Even within a category such as TV, upper-class consumers may show greater preference for news and drama, whereas lower-class consumers may lean toward reality shows and sports. There are also language differences—advertising copy and dialogue must ring true to the targeted social class. (Keller,2012)

Social class affect taste and style, the term ‘social class’ is now used more generally to describe the overall rank of people in a society. People who are grouped within the same social class are approximately equal in terms of their social standing in the community. They work in roughly similar occupations, and they tend to have similar lifestyles by virtue of their income levels and common tastes. These people tend to socialize with one another and share many ideas and values regarding the way life should be lived (Solomon, 2006)

To ensure understanding of how status works in the minds of consumers, researchers have studied the notion of social comparison theory. According to this sociopsychological concept, individuals very often compare their own material possessions with other people, in order to determine their relative social position. This is especially important in the case of the market society, where status is often associated with the purchasing power of consumers. Recent research has confirmed that a key factor of status are consumer's possessions, compared to the

similar possessions of others. The more possessions or more expensive things a human being have, the greater status will enjoy.

2.1.3 Reference Groups

From a marketing perspective, reference groups are those that serve as frames of reference for individuals in their consumption decisions, as they are perceived as credible sources.

There are five main reference groups:

- Normative reference groups
- Comparative reference groups
- Affiliation reference groups
- Symbolic reference groups
- Indirect reference groups

Some of these are primary groups with whom the person interacts fairly continuously and informally, such as family, friends, neighbors, and coworkers. People also belong to secondary groups, such as religious, professional, and trade-union groups, which tend to be more formal and require less continuous interaction. (Keller,2012)

The groups of reference can be classified according to different criteria, among which are the most used in the literature, the nature of the interrelation, the level of formality and the group membership or not. According to the first one, it is possible to distinguish between two reference groups. The primaries, constituted by few members, who maintain a close contact, presence and regular (as the family and the closest friends); And secondary groups, reference groups related to organizations of different nature (such as professional associations, sports or trade unions, among others), where the interrelations are less personal and frequent. According to the second criterion, the level of formality, it is possible to distinguish between groups with a formal structure whose members have specific levels of authority of a normative nature and have clearly defined objectives; And informal groups, are the ones which lack fixed norms and show more spontaneous and affective relationships. The third criterion, regarding the membership or not of the reference group, allows to distinguish between groups of aspiration, which the individual would like to be part of; And the groups of belonging, to which, voluntarily or involuntarily, the individual belongs.

Reference groups that influence in general terms about defined values or behaviors are called normative reference groups, in other words the value of "the right thing to do" consists of the main idea of what a normative reference group is.

Reference groups that serve as models for comparing specific or very narrowly defined attitudes or behaviors are called comparative reference groups. A group to which an individual belongs or may have a right to belong is known as an affiliation group. There are also groups in which the person has little chance of becoming a member, even when acting as one in adopting the

group's values, attitudes and behavior. These groups are called symbolic groups. Indirect reference groups are those groups or individuals with whom the individual has no direct personal contact. They are known as indirect because although they do not have direct contact with the group or person, they adopt indirectly certain behaviors. (Shiffman, 2010).

Reference groups have as main objectives to inform the individual or to make him aware of the existence of a specific product or brand, to provide the individual with the opportunity to compare their own ideas with the attitudes and behavior of the group, to influence the individual so that adopt certain attitudes and forms of behavior that are in accordance with the norms of the group and finally legitimize the decision to consume the same product that the group consumes.

2.1.4 Personal Factors

Personal characteristics that influence a buyer's decision include age and stage in the life cycle, occupation and economic circumstances, personality, self-concept, lifestyle and values. Because many of these have a direct impact on consumer behavior, it is important for marketers to follow them closely (Keller,2012).

Talking about age and phase of the life cycle, people go through different stages in life that make their tastes, needs and interests change with the passage of time, causing a change in their consumption habits, which causes as well that the consumer acquire different products and services in each of the different stages of the life cycle.

The type of work to which the individual is engaged exerts a great influence in their consumption behavior. Occupation is a crucial factor as well that defines consumers behavior

Consumption pattern that reflects the alternatives considered by a person to decide how he spends his time and money is better known as lifestyle. All those aspects that goes with the way of living of people; interests, tastes, opinions mainly. Lifestyle influences the needs of consumers, and therefore, their buying behavior and the willingness to acquire or not a specific product.

One factor that can really define what are based on the consumption decisions of a human being is their economic condition, in stages of economic growth there are credit facilities therefore consumption trend will be greater, by improving the employment and income can be assumed that consumers will be able to satisfy more complex needs than simple survival.

Personality is defined by those psychological characteristics and internal distinctiveness of a person such as self-confidence, authority, autonomy, sociability, aggressiveness, emotional stability that lead to responses to their environment relatively consistent and permanent. Everyone has a different personality that will influence their buying behavior. Brands also have personality, therefore, consumers tend to choose brands whose personality closely resembles their own.

2.2 Key Psychological Processes

Marketing and environmental stimuli enter the consumer's consciousness, and a set of psychological processes combined with certain consumer characteristics to result in decision processes and purchase decisions. The marketer's task is to understand what happens in the consumer's consciousness between the arrival of the outside marketing stimulus and the ultimate purchase decisions. Four key psychological processes-motivation, perception, learning, and memory-fundamentally influence consumer responses (Keller, 2012).

2.2.1 Motivation

Motivation is the inner strength of individuals that drives them to action. That driving force is generated by an uncomfortable state of tension that exists because of some unmet need. All individuals have needs, wishes and desires. The subconscious impulse of the individual who seeks to reduce the tension caused by such need translates into a behavior which, according to the individual's own predictions, will help him to satisfy the need in question and thereby bring about a more comfortable inner state. Motivation can be both positive and negative.

There have been numerous studies that have tried to analyze consumer behavior motivations, and classify them according to their nature. One of the first classifications are translated into the adoption of a certain behavior due, exclusively, the interesting and exciting that this is in itself, which is usually associated with the satisfaction perceived by the own behavior. Extrinsic motivations, on the other hand, lead to directed behaviors that seek to obtain benefits or objectives different from those generated by the performance of the activity itself.

It is also worth noting the classification of Solomon (2006), who distinguishes utilitarian motivations of hedonists motivations. While the first theory induce behaviors aimed at functional or practical benefits, the second one is related to the emotional consequences of the consumer in the search for new and pleasant experiences of consumption. There are many other categorizations of motivations, which are those that distinguish between physiological (of innate character), psychological (acquired); rational (utility maximizing), emotional (subjective or personal); and the positive (that facilitate the consumption) and negative (that constrain the consumption).

Needs have also been the object of many studies, three of the best-known theories of human motivation those of Sigmund Freud, Abraham Maslow, and Frederick Herzberg, carry quite different implications for consumer analysis and marketing strategy (Keller, 2012). These theories are essential to understand the true nature of motivations.

2.2.1.1 Freud's Theory

Sigmund Freud assumed the psychological forces shaping people's behavior are largely unconscious, and that a person cannot fully understand his or her own motivations. Someone

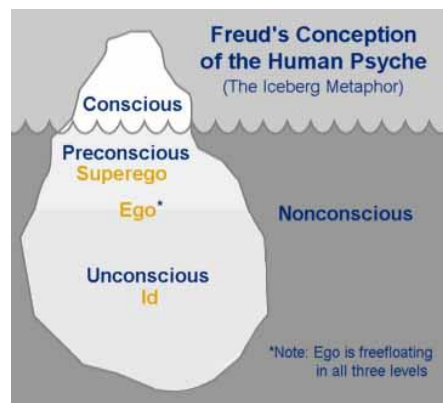
who examines specific brands will react not only to their stated capabilities, but also to other, less conscious cues such as shape, size, weight, material, color, and brand name (Keller, 2012).

Some of the main psychodynamic approach assumptions of Freud's theory are mentioned below (Freud,1976):

- Our behavior and feelings are powerfully affected by unconscious motives.
- Our behavior and feelings as adults (including psychological problems) are rooted in our childhood experiences.
- All behavior has a cause (usually unconscious), even slips of the tongue. Therefore, all behavior is determined.
- Personality is made up of three parts (i.e. tripartite): the id, ego and super-ego.
- Behavior is motivated by two instinctual drives: Eros (the sex drive and life instinct) and Thanatos (the aggressive drive and death instinct). Both these drives come from the “id”.
- Parts of the unconscious mind (the id and superego) are in constant conflict with the conscious part of the mind (the ego). This conflict creates anxiety, which could be dealt with by the ego’s use of defense mechanisms.
- Personality is shaped as the drives are modified by different conflicts at different times in childhood (during psychosexual development).

Freud’s Conception of the Human Psyche

Picture 1



(Psyche.com, 2017)

Today, motivational researchers continue the tradition of Freudian interpretation. Jan Callebaut identifies different motives a product can satisfy. Another motivation researcher, Clotaire Rapaille, works on breaking the “code” behind product behavior (Keller, 2012).

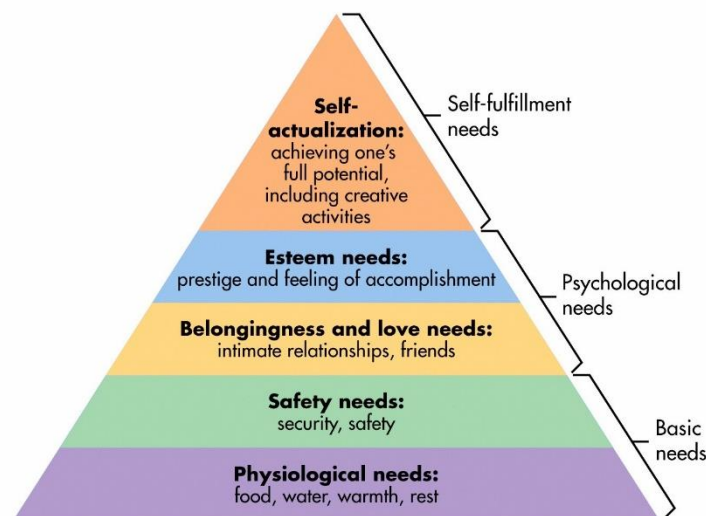
2.2.1.2 Maslow's Theory

Maslow's (1943) classification of needs is the theory which describe how individuals are motivated to satisfy different types of needs categorized hierarchically. Maslow distinguishes five kinds of needs, the basic or physiological, the safety and protection, the affiliation and affection, the self-esteem, and the self-realization. According to Maslow, the highest needs of the pyramid occupy the attention of the individual only when the lower needs have been satisfied. It should be noted, that not all needs are presented with the same level of intensity, although in this case the lower needs of the pyramid would predominate. Likewise, unmet needs are assumed to exert the greatest influence on the individual's behavior.

At each level, different priorities exist in terms of the product benefits a consumer is looking for. Ideally, an individual progresses up the hierarchy until his or her dominant motivation is a focus on 'ultimate' goals, such as justice and beauty. Unfortunately, this state is difficult to achieve (at least on a regular basis); most of us have to be satisfied with occasional glimpses, or peak experiences (Solomon, 2006)

Maslow's Hierarchy of Needs

Picture 2



(simplypsychology.org, 2007)

In the theory of the hierarchy of needs, those of a physiological nature represent the first level and the most basic of human needs. Among these necessities, which are indispensable for sustaining biological life, as food, water, air, housing, clothing, sex. Those are all biogenic needs that were previously listed as primary needs. According to Maslow, physiological needs are dominant when they are chronically unsatisfied.

Marketers have embraced this perspective because it (indirectly) specifies certain types of product benefits people might be looking for, depending on the different stages in their

development and/or their environmental conditions. However, as we shall see it contains many problems, and we shall devote space to it here because it is a 'standard' in marketing knowledge rather than because we believe in its theoretical and practical value. (Solomon, 2006).

2.2.1.3 Murray's List of Psychogenic Needs

In 1938 the psychologist Henry Murray drew up a detailed list of psychogenic needs in what was probably the first systematic attempt to understand non-biological human needs. Murray believed that all human beings have the same basic set of needs, although each individual shows variations in the degree of priority they grant to such needs. Murray's basic needs include a number of motives that purportedly play a significant role in consumer behavior, such as acquisition, achievement, recognition, and display (Shiffman, 2006).

Needs Associated With Inanimate Objects

- Acquisition
- Conservation
- Order
- Retention
- Building

Needs Reflecting Ambition, Power, Realization And Prestige

- Superiority
- Achievement
- Recognition
- Exhibition
- Inviolability (inviolable attitude)
- Evasion (to avoid embarrassment, failure, humiliation, ridicule)
- Defense (defensive attitude)
- Reciprocal action (response-to-action attitude)

Needs Related To Human Power

- Domain
- Respect
- Similarity (influential attitude)
- Autonomy
- Opposing (acting differently from others)

Sadomasochistic Needs

- Aggression
- Degradation

Needs Relating To The Affect Between People

- Membership
- Rejection
- Philanthropy (feeding, helping or protecting the defenseless)
- Assistance (seek help, protection or empathy)
- Play

Needs Related To Social Exchange

- Cognition (inquisitive attitude)
- Exposure (expository attitude)

According to Murray the personality of an individual depends on brain processes, it is a close relationship between brain physiology and personality being the neurophysiological processes the source of human behavior. Murray was one of the authors focus on theories development based on the needs of human issues. Murray defined a need as the builder that represents a force in the brain that organizes understanding, perception and conduct, in such a way that it exchanges an unsatisfactory situation for a satisfactory one, therefore it increases the satisfaction in the human being.

2.2.2 Perception

The study of perception acquires an important role in the field of consumer behavior, regarding the process which the consumer selects information and opinions about products that wants to acquire, in order to organize it, process it and therefore interpret.

Sensation refers to the immediate response of our sensory receptors (e.g. eyes, ears, nose, mouth, fingers) to such basic stimuli as light, color and sound. Perception is the process by which these stimuli are selected, organized and interpreted. We process raw data (sensation); however, the study of perception focuses on what we add to or take away from these sensations as we assign meaning to them (Salomon, 2006).

From the various studies on perception, it is considered that perception is constituted by virtue of three selective processes: selective exposure, selective distortion and selective retention. The first of these processes refers to the individual's unconscious choice to attend, receive, and interpret only a few stimuli from the huge amount which is habitually subjected. The possibility that the information that is derived from the stimulus is attended and registered by the individual depends on the need and interest that it feels, and on the other hand, on the number of stimuli and attributes that make up the object to perceive. The second process, related to selective distortion, involves the natural tendency of the individual to interpret the information according to preconceived thoughts and ideas, in a way that reaffirm their personal beliefs. Therefore, the fact that a stimulus can be registered does not guarantee that actually interprets what was intentionally projected in its transmission. The perception process is an individual act by which

sensory stimuli are integrated about certain objects, events or situations previously stored, and become into useful experience, giving meaning to a sensation. Selective retention has to do with the fact that the individual often neglects most of what learns; for that reason, in order to conserve information, human beings are used to retain only the information that is more easily storable which mostly supports its main attitudes and beliefs.

Schemas as well are important in the perceptual process, schemas are defined by how the human being is tend to group objects with similar characteristics based on collections of beliefs and feelings, the schema to which an object is assigned is crucial determinant of how the individual will choose to evaluate that object in the future.

A perceptual process can be broken down into the following stages (Salomon, 2006):

1. Primitive categorization, in which the basic characteristics of a stimulus are isolated
2. Cue check, in which the characteristics are analyzed in preparation for the selection of a schema
3. Confirmation check, in which the schema is selected
4. Confirmation completion, in which a decision is made as to what the stimulus is

In many cases, consumers use a few basic dimensions to categorize competing products or services, and then evaluate each alternative in terms of its relative standing on these dimensions (Salomon, 2006).

Just like every individual has a perceived self-image, they also have perceptions on brands and products images. The perceived image of a product or service is often more important for the success of that product than its actual physical characteristics, because that image means where the consumer position that product or service in their mind.

Distinguished and favorably perceived products and services are much more likely to be bought than products and services whose image is unfavorable or even neutral because those neutral products are not in top of consumers mind.

Consumers often judge the quality of a product or service on basis of various informational signs, some of these signs are intrinsic features of the product such as color, size, flavor, aroma; while others are extrinsic such as price, store appearance, brand image or service attitude. In the absence of direct experience or other information, consumers often rely on price as an indicator of quality. Consumer's perception of price, whether it is high, low, or fair, has a significant influence on their purchasing intentions and satisfaction.

2.2.3 Learning

Relating prior knowledge to current circumstances, and applying past and present experiences to future behaviors, represents learning.

Learning theorists agree, in general terms, that certain basic elements must be present for learning to occur. Such elements are motivation, signals, response and reinforcement (Shiffman, 2006).

Learning has been the subject of a study of several psychological trends, among them, by their wide acceptance, behavioral and cognitive theories. Behaviorism debates that learning is the result of conditioning stimulus response, therefore, behavior arises from reaction to stimuli. It is considered that behavior is learned from a functional association between two stimuli practically simultaneous, so that the second of these causes a response similar to the first. Two types of conditioning are distinguished in this theory: Classical and Operant or Instrumental. On the other hand, cognitive learning theory is based on thinking and problem solving.

Classical conditioning occurs when a stimulus that elicits a response is paired with another stimulus that initially does not elicit a response on its own. Over time, this second stimulus causes a similar response because it is associated with the first stimulus. This basic form of classical conditioning primarily applies to responses controlled by the autonomic and nervous systems. That is, it focuses on visual and olfactory cues that induce hunger, thirst or sexual arousal. When these cues are consistently paired with conditioned stimuli, such as brand names, consumers may learn to feel hungry, thirsty or aroused when later exposed to the brand cues (Salomon, 2006).

In general terms, the organisms are considered as relatively passive entities, who could be taught certain behaviors by means of repetition (or conditioning). In marketing vision the application of this theory can be very positive because encourage the attention to the advertised brand when is presented in subsequent promotions.

Operant conditioning, also known as instrumental conditioning, occurs as the individual learns to perform behaviors that produce positive outcomes and to avoid those that yield negative outcomes. This learning process is most closely associated with the psychologist B.F. Skinner, who demonstrated the effects of instrumental conditioning by teaching animals to dance, pigeons to play ping-pong, and so on, by systematically rewarding them for desired behaviors (Salomon, 2006).

In other words, the stimulus that gives rise to the most satisfying response is the learned stimulus (positive reinforcement). Learning is generated through a process of trial and error, where habits are formed as a result of the rewards received in exchange for certain responses or behaviors.

Cognitive learning occurs as a result of mental processes. In contrast to behavioral theories of learning, cognitive learning theory stresses the importance of internal mental processes. This perspective views people as problem-solvers who actively use information from the world around them to master their environment. Supporters of this viewpoint also stress the role of creativity and insight during the learning process (Salomon, 2006).

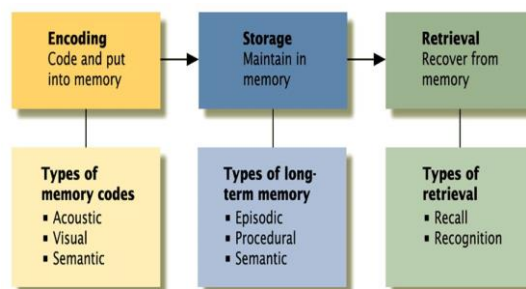
Cognitivism incorporates certain intrinsic processes of the mind related to the acquisition, processing and retention of information to study the interaction between the individual and its environment. According to cognitive approaches, learning is not the result of conditioning the stimulus response, but a complex mental process of the individual involving cognitive elements such as attention, perception, memory, language and thinking. It is considered that the individual learns new behaviors without the need for reinforcement, assuming that the learning process can derive from the assimilation and observation of others behavior. It distinguishes between two types of learning: the repetitive, if the individual acquires knowledge through repetitive and rote processes; and the significant, by which the individual learns on his own, rediscovering new information, which is assimilated and incorporated into his cognitive structure.

2.2.4 Memory

Memory involves a process of acquiring information and storing it over time so that it will be available when needed. Contemporary approaches to the study of memory employ an information-processing approach. They assume that the mind is in some ways like a computer: data are input, processed and output for later use in revised form. In the encoding stage, information is entered in a way the system will recognize. In the storage stage, this knowledge is integrated with what is already in memory and ‘warehoused’ until needed. During retrieval, the person accesses the desired information (Salomon, 2006).

Memory Process

Picture 3



(slideplayer.com, 2016)

Cognitive psychologists distinguish between short-term memory (STM) a temporary and limited repository of information and long-term memory (LTM) a more permanent, essentially unlimited repository. All the information and experiences we encounter as we go through life can end up in our long-term memory (Kotler,2012).

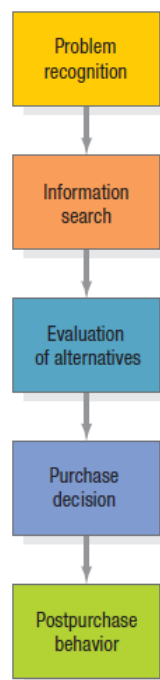
2.3 Buying Decision Process

The buying decision process consist in five stages where the consumer typically passes through: problem recognition, information search, evaluation of alternatives, purchase decision, and postpurchase behavior.

This process is focus mainly on new product acquisitions because sometimes the consumer tends to buy the same product every time that he needs it because he likes it or because he is loyal to the brand, that's why consumers don't always pass through all five stages they may skip or reverse some, skipping most of the time information search and evaluation. However, when it comes about a really important product in consumers perception or an expensive one, the full range of considerations arise when a consumer faces a highly involving new purchase.

Buying Decision Process

Picture 4



(Kotler, 2012)

Each of the five stages of the decision-making process is treated as a separate entity, although it must be recognized that it is an artificial structure of the process, because even when the first discussion refers to the stage of recognizing the problem, the consumer may well redefine the problem at a later stage and start the whole process again.

In first place, it must be implied that in the stage of recognizing the problem, the identification of the problem can be very simple or very complex. A second aspect of problem recognition, which allows for generalization, refers to certain known determinants of problems. One of the determining factors is the absence of the primary means of solving the problem. It is a

fundamental condition that will precipitate the action. It also indicates a moment in time that allows to influence the consumer.

An additional determining factor is a change in the socio-economic situation of the consumer. Marriages, births, age, size of the family and income probably will arise needs that did not exist before. A third generalization of recognition of the problem is that it is a phenomenon that affects more than one person. In general, there are a number of people who may be in various situations as far as recognition of the problem is concerned. Lastly, it is possible to generalize in the sense that the person who identifies the problem, whoever it is, is subject to a great diversity of conditions that influence the action. Some of these conditions may reflect personal characteristics, or depend on the culture, or reflect the influence of other people. In all cases, these conditions are multidimensional and their relative effect must be identified and measured.

Marketers need to identify the circumstances that trigger a particular need by gathering information from a number of consumers. They can then develop marketing strategies that spark consumer interest. Particularly for discretionary purchases such as luxury goods, vacation packages, and entertainment options, marketers may need to increase consumer motivation so a potential purchase gets serious consideration (Kotler, 2012).

Once a problem has been recognized, consumers need adequate information to resolve it. Information search is the process by which the consumer surveys his or her environment for appropriate data to make a reasonable decision. (Solomon, 2006). In this second stage in the consumer decision-making process, consumer tries to identify in a preparatory way, alternative solutions to the problem, mainly buy the search for information. As a general rule, the study of the problem will not be an external matter unless the value of the purchase is significant, represents an economic risk, or something of small value but which can represent some non-economic risk rather than a psychosocial risk, such as when it comes to buy clothes or personal care products.

In the process of information search, the consumer compares the cost of obtaining additional information with the risk of taking the wrong decision. Here the cost can represent time and displacement as well as psychological costs that can be associated with frustrations and hassles during the buying process. In relation to the stages of information search and evaluation of the decision-making process, the consumer is facing some sort of perceived risk. The risk goes on function of the possible consequences and the uncertainty implicit. It can be think of the consequences, such as costs that will outcome if a new event occurs, either a minimal monetary loss or something more serious. Uncertainty can be measured according to the probabilities of a given consequence.

Perceived risk has been described as functional or psychosocial. Functional risk is closely related to the performance of the product, while psychosocial risk is related to the fact that the product or service can improve the concept of itself. Risks can be reduced by reducing the consequences or increasing the certainty about the results of the purchase. The consequences can be reduced by buying in smaller quantities or by reducing the levels of aspiration. Reducing

risk by increasing certainty about the results of the purchase is the strategy most used by the purchaser.

Through the information search phase of the decision-making process, consumer strategy consist mainly on asking and looking for information from many sources, principally if the purchase is significant, and if the consumer lacks of experience with that kind of purchase (high perceived risk).

Major information sources to which consumers will turn fall into four groups (Kotler, 2012):

- Personal: Family, friends, neighbors, acquaintances
- Commercial: Advertising, Web sites, salespersons, dealers, packaging, displays
- Public: Mass media, consumer-rating organizations
- Experiential: Handling, examining, using the product

After the recognition of the problem and the search for information, the consumer moves on to the evaluation stage.

Some basic concepts will help to understand consumer evaluation processes: First, the consumer is trying to satisfy a need. Second, the consumer is looking for certain benefits from the product solution. Third, the consumer sees each product as a bundle of attributes with varying abilities to deliver the benefits. The attributes of interest to buyers vary by product. Consumers will pay the most attention to attributes that deliver the sought-after benefits. (Salomon, 2006).

This stage can be complicated and prolonged or can be carried out quickly and with minimal forethought. Whatever the case, it requires a set of criteria. Although some widely applied criteria such as price, durability and service when dealing with consumer goods could be pointed out. The challenge for marketing is again to choose, from an almost infinite variety of criteria, those that are relevant to a given product at a given moment in its life cycle. The collection and study of criteria as well as their relative importance for consumers is one of the main responsibilities for marketing. But the evaluation phase of the consumer buying process cannot be understood simply by identifying criteria, evaluation is a process, such as the purchase.

The alternatives actively considered during a consumer's choice process are his or her evoked set. The evoked set comprises those products already in memory (the retrieval set), plus those prominent in the retail environment. The alternatives that the consumer is aware of but would not consider buying are his or her inept set, while those not under consideration at all comprise the inert set. Consumers often include a surprisingly small number of alternatives in their evoked set. One study combined results from several large-scale investigations of consumers' evoked sets and found that the number of products included in these sets was limited, although there were some marked variations by product category and across countries. A product is not likely to be placed in the evoked set after it has previously been considered and rejected. Indeed, a new brand is more likely to be added to the evoked set than is an existing brand that was

previously considered but passed over, even after additional positive information has been provided for that brand (Salomon, 2006).

The mechanics of purchasing represent the next stage of the buyer's decision-making process. The significance of this stage relates in part to each of the three previous stages because of the way people buy influences the recognition of the problem, information search and evaluation.

In the evaluation stage, the consumer forms preferences among the brands in the choice set and may also form an intention to buy the most preferred brand. In executing a purchase intention, the consumer may make up to five subdecisions: brand, dealer, quantity, timing, and payment method (Kotler, 2012).

It is necessary to understand the act of buying because it influences decisions based on attributes such as the size of the package, selection of stores, location of the store and placement on the shelves mainly. The frequency and timing of the purchase of some products are self-evident, but not always. Purchases also take on meaning when it comes to recognize the variation in the character of retail stores. Location, assortment, price level, advertising, service facilities and credit conditions distinguish one store from another. These characteristics of the store form part of the set of attributes that a person seeks when considering alternative products. It have to be compared the comfort that the consumer is looking for when making purchases, with the additional costs involved in opening more retail stores.

Once the consumer has made a purchase, it is possible that it will start thinking about the decision deeply, that is why every day there is more interest in the behavior that the consumer shows after purchase.

After the purchase, the consumer might experience dissonance from noticing certain disquieting features or hearing favorable things about other brands and will be alert to information that supports his or her decision. Marketing communications should supply beliefs and evaluations that reinforce the consumer's choice and help him or her feel good about the brand. The marketer's job therefore doesn't end with the purchase (Kotler, 2012).

If the decision-making process was based on several alternatives and was complicated (possibly due to the financial outlay), the buyer will probably want to make sure his choice was the right one. The tensions that give rise to the uncertainty of a decision may cause the buyer to seek information that will confirm their action. Having committed to a purchase, the consumer notices an incongruity in that he has given up one or more alternatives. This sensation gives rise to tensions and the buyer tries to reduce them by lowering the validity of conflicting or negative information while reinforcing the data that led him to take the decision.

At this stage, the buyer will actively seek information, if an effective work is done by reinforcing the buyer's decision, it will influence: the future satisfaction with the product, future purchases and the role that the buyer will play as a source of information for the purchases of other people.

2.4 Consumer Information Search Behavior

Within the consumer buying behavior, the search activity of such information is related to all the attributes through which the consumer intends to satisfy his initial need, including among them the price of the product to be acquired.

A consumer immersed in a buying process may feel the need to have a certain amount of information that serves him fundamentally, to lessen the risks related to his subsequent purchase decisions, this information can be searched in two types of information source: internal and External.

As a result of prior experience and simply living in a consumer culture, each of us often has some degree of knowledge about many products already in our memory. When confronted with a purchase decision, we may engage in internal search by scanning our own memory bank to assemble information about different product alternatives. Usually, though, even the most market-aware of us needs to supplement this knowledge with external search, where information is obtained from advertisements, friends, or just plain people-watching, (Salomon, 2006).

In this sense, the consumer firstly performs an internal search of the information, which is stored and available in his memory, and which has been actively acquired, either through the external search or prior consultation storing that information in their memory, in forms of learning structures to be used later, or through the use of the product or previous experiences with it .

Our existing knowledge of a product may be the result of directed learning: on a previous occasion we had already searched for relevant information or experienced some of the alternatives. Even though a product may not be of direct interest to us right now, exposure to advertising, packaging and sales promotion activities may result in incidental learning. Mere exposure over time to conditioned stimuli and observations of others results in the learning of much material that may not be needed for some time after the fact, if ever (Solomon,2006).

Also, a large amount of the information stored in consumers memory is not the result of a specific search process, but is acquired passively, involuntarily, as part of the daily routine of the consumer, and can be obtained from interruptions produced when the consumer is faced with an unexpected stimulus, or acquired through low participation learning, which is not an unconscious process, it is just when the consumer obtains such information without having previously requested it.

However, this information collected either actively or passively may not be enough for the consumer to take a decision to choose what is going to buy, so it must resort to external sources of information, which can be obtained through direct inspection of the product in question, supplied by third parties or through different means used by sellers.

The consumer, when perceiving that there is a great diversity among the alternatives, will be more motivated to seek additional information that allows him to make a decision oriented

towards the most optimal alternative. If the prior knowledge of the consumer regarding the product is important, less search for external information will need to make decisions.

Also, if the consumer needs to use this second type of external information source, he must incur certain costs, which he will weigh to determine the benefit obtained in exchange for this additional data search that he does not have in his memory, against the costs of obtaining such information.

Consumers form expectations of the value of additional information and continue to search to the extent that the rewards of doing so (what economists call the utility) exceed the costs. This utilitarian assumption also implies that the most valuable units of information will be collected first. Additional pieces will be absorbed only to the extent that they are seen to be adding to what is already known. In other words, people will put themselves out to collect as much information as possible, as long as the process of gathering it is not too onerous or time-consuming. (Solomon, 2006).

As previously stated, the internal search for information goes before the external search, and is easier to use because of its low cost, since it requires little effort, being more accessible but not reliable, incomplete and most of the times incorrect. Likewise, this internal information is often presented as less adapted to the concrete reality of each purchase situation, because in many cases the dynamic economic environment has as a consequence that the internal information over time becomes obsolete and useless making it necessary for the consumer to resort to the search for external information in order to remedy this situation, which involves consumer search costs.

Search costs are associated with all those costs that imply the search of the product for its acquisition, as well as those incurred in the comparison of attributes of a specific object. The search costs consist of both displacement cost of the consumer to the establishment of sale, as well as, the time spent in such search. On the other hand, if the consumer perceives that the costs are higher than the profits (savings obtained) through the search, it will be more likely to not participate in the search process.

Before making the decision to carry out the search activity, the consumer makes a valuation of the costs involved in carrying out the search in the face of the importance of the information that needs to be obtained.

In this sense, when the consumer perceives that the costs involved in the search for product information are worth facing, in return for the benefits provided by the information investigated (economic, convenience, hedonic), the consumer perceives a profitability in obtaining information, and therefore willing to undertake the search process, since the benefits are greater than the costs to which the consumer must face to acquire such information, otherwise the consumer will not be willing to initiate the search activity since the profitability in obtaining the information will be diminished as the costs increase.

However, when the market in which the product is intended to be purchased is different from the conventional one, different from the tangible establishment where the purchase is made by being present in store, the costs of searching for the product can be significantly reduced, As the case of the online shopping environment, where the costs of time and travel can be greatly reduced.

The introduction of new technologies such as the purchase of products through the online context, allow the consumer to reach a greater amount of information, which can lead the consumer to take a better purchase decision, since the greater the amount of information available to the consumer, the more likely it is to consider a better alternative because the extensiveness of information allows to compare between a large assortment of options to select, bringing it closer to a purchase decision according to their needs.

It is also important to note that the Internet has had a great impact on the pre-purchase search. Instead of visiting a store to research a product, or instead of calling the manufacturer and requesting a brochure, consumers can turn to the manufacturers websites to get the information they need about the products and services they are considering (Schiffman,2010).

On the other hand, it is true that the consumer, when selecting the virtual environment to develop the purchase process, results in reduced information collection costs allowing him to have new ways of knowing products before their acquisition.

From the point of view of demand, the most important impact in the execution of economic transactions through the Internet, is located in the costs of search of the consumers, diminishing them considerably because the obtaining of information is more and more instantaneous and in real time, allowing consumers to compare offers presented by vendors on a global scale (Sieber, 2001).

The greater the consumer's perception of the differences between the existing options, the higher the stimulus will be experienced by the consumer in order to carry out the search of complementary information, in order to make an adequate decision, mainly if the differences are related to the price of the product to be acquired.

2.5 On-Line Buying Behavior And E-Commerce

Researchers have long examined how the Internet influences the way consumers make decisions. It is often speculated that because consumers have limited information processing capacity, they must develop a choice strategy based on individual factors (knowledge, personality traits, demographic characteristics) and contextual factors (characteristics of decision-making tasks). The three most important contextual factors that have been investigated are the complexity of the task (the number of alternatives and the amount of information available for each alternative), the organization of information (presentation, format and content) and the time limit (More or less time to decide), (Shiffman, 2006).

E-commerce is a reality today, becoming a determining factor for companies that want to adapt efficiently to 21st century trade, making it necessary to define it before going deeper into consumers online shopping behavior.

Marketers must decide what features design for a new product or service, what prices to set, where to sell products or offer services, and how much to spend on advertising, sales, the Internet, or mobile marketing. They must make those decisions in an Internet-fueled environment where consumers, competition, technology, and economic forces change rapidly, and the consequences of the marketer's words and actions can quickly multiply (Kotler,2012).

E-commerce consists of exchanges between several parties (individuals, organizations or both) mediated through technology, as well as electronic activities within and between organizations facilitating such exchanges (Rayport, 2001). E-commerce refers to the realization of e-business in the company, including all forms of business, administrative transactions or exchanges of information that are used to carry out any type of communication.

On the other hand, the Internet is established as a novel medium through which this electronic commerce can be developed, changing the habits and way of buying of consumers, influencing and also modifying its relation with the conventional sales establishments.

In part, due to disintermediation via the Internet, consumers have substantially increased their buying power. From the home, office, or mobile phone, they can compare product prices and features and order goods online from anywhere in the world 24 hours a day, 7 days a week, bypassing limited local offerings and realizing significant price savings. Even business buyers can run a reverse auction in which sellers compete to capture their business. They can readily join others to aggregate their purchases and achieve deeper volume discounts (Kotler, 2012).

Some limitations of e-commerce are relate to the actual shopping experience. While it may be satisfactory to buy a computer or a book on the internet, buying clothing and other items in which touching the item or trying it on is essential may be less attractive. Lack of tactile input (feeling material; smelling a bouquet) is one the major factors which deters consumers from using the internet for buying goods. A recent study established that consumers with a higher need for tactile inputs tended not to use the internet so much for product purchase; and men tend to exhibit less need for tactile input than women when evaluating products. Even though most companies have very liberal returns policies, consumers can still get stuck with large delivery and return postal charges for items where the material does not hang properly, or they don't fit, or they simply aren't the right colour (Solomon, 2006).

Also, an important perceived benefit to consumers associated with online marketing is access to larger amounts of dynamic information, through the accumulation, analysis and control of large amounts of specialized data, thus allowing price comparisons and accelerating the process of information search, based on consumer consultations on decision-making (Kulviwat, 2004).

The influence of the Internet on conventional competitive strategies of companies can be considered from three different angles. First, from the point of view of supply due to the

reduction of transaction costs, it also influences demand by reducing the costs of searching for the attributes of a specific product, and thirdly influencing the contribution of new possibilities for setting pricing policies.

For marketers, the growth of online commerce is a sword that cuts both ways: On the one hand, they can reach customers around the world even if they're physically located 100 miles from nowhere. On the other hand, their competition now comes not only from the shop across the street, but from thousands of websites spanning the globe. A second problem is that offering products directly to consumers has the potential to cut out the middleman the loyal store-based retailers who carry the firm's products and who sell them at a marked-up price. (Kotler. 2012)

A virtual store can be defined as an establishment that allows to inform, sell, order, collect, deliver the product and provide after-sales service through any on-line platform. In this sense, the only differentiation between a conventional and a virtual establishment is the means through which the purchase decision is executed. Considering this set of advantages as one of the main benefits that make up convenience of making purchases through virtual stores against the traditional purchase procedure in physical stores.

The in-depth study of the emerging online consumer behavioral literature reveals that most components of classical consumer behavior theory have been applied for behavioral research in this new virtual context, however, such application should not be performed as a simple adoption of the components of buying behavior in the conventional field, since there are significant differences between on-line and off-line consumer behavior that require a differentiating conceptualization (Cheung, 2003).

Based on the Theory of Planned Behavior (Song, 2001) the development of a conceptual framework to determine the impact of the design elements of web sites on the beliefs and behaviors of users, showed that these elements of design, reinforce the beliefs that consumers have about the website visited, which positively impact the attitudes that lead to changes in their purchase intentions. Likewise, determine whether the intention to look for information about a product on the internet is a key element in predicting consumer buying intentions through that channel. The outcomes show that the intention to use the on-line channel for the search of information is not only a strong predictor of the intentions of purchase in this context but also it is a mediator of the relation between the intention of purchase and others predictors such as: attitude towards online shopping, perception of behavior control and previous experiences of online shopping.

In relation to innovation, this refers to several aspects such as the perception that innovation is advantageous; the complexity or difficulty in the comprehension of its use; the compatibility with the social system where it is intended to spread; the experimentation or capacity to be tested and the visibility of results of its use.

The channels of communication, are those through which the innovation is diffused by conceiving both interpersonal channels and channels of mass dissemination. In relation to the

social system, this corresponds to the structure, norms and intermediary agents that can intervene in the diffusion.

The decision process of the innovation, it is related to the receptivity, utility, implementation and confirmation of the innovation making either a continuous or intermittent use of it and in relation to time, this is related to the period elapsed for the social system to adopt this innovation. In this sense, individuals do not adopt an innovation in the same periods of time, therefore, a conception of five categories of users that are defined as: innovative users, who import innovation from outside to the Social system to which they belong; The initial users, who accept the introduction of innovation and its diffusion before the majority in its social system; Early users who disseminate innovation but need a longer period of time to adopt such innovation; The laggard users who end up adopting the innovation by environmental pressures (Rogers, 1981).

Taking into account the previous theories, Cheung (2003) proposes that research on on-line consumer behavior can be framed in three phases: Intention, Adoption, Continuation (Repurchase).

The search process will then be triggered in the subsequent completion of the task, which will result either in the acquisition of the necessary information, the purchase of the product or, in its absence, the abandonment of the purchase before being completed. In this context, in the conventional context the successful outcome of the search behavior is related to the execution of the purchase, online success search result refers both to the acquisition of required information and to the completion of the purchase. On the other hand, in relation to the abandonment of the purchase, the online medium differs from the traditional in aspects such as the speed of comparison with another website, the ease of use of the website, as well as, the impossibility presented by the Internet in relation to the experimentation of products through the senses (smell, touch, taste).

Once the online consumer has covered their initial need by obtaining satisfactory information or the utility provided by the product purchased, consumer will consider and probably visit the website for future purchases. In this sense, if the consumer makes frequent visits to the website and obtains through them satisfactory experiences will be formed the loyalty towards the website in question, which is the behavioral measure most used for the analysis of the repurchase in on-line contexts.

In this sense, convenience are highly valued by buyers of on-line establishments, making it easier to search for information, save the physical effort of inter-store visits, greater flexibility of schedules, reduction of the time spent in the purchase, reduction of the effort for the displacement of heavy goods, among others.

However, the motivations of shopping on the Internet as convenience are less significant compared to the risks that influence the virtual purchase related to confidentiality in the purchase communications as well as trust in the virtual establishment (Wani, 2013). In this

sense, although the perception of risk in the use of the Internet to make purchases has decreased over time, it is undeniable that such perception of risk still persists.

Another recent study suggested that four factors were predictive of customer judgments about quality and satisfaction, customer loyalty and attitudes towards a website (Solomon, 2006):

- Website design. This covers all elements of the customer's experience at the website including navigation, information search, order processing, appropriate personalization and product selection.
- Fulfilment/reliability. This involves, firstly, the accurate display and description of a product so that what customers receive is what they thought they ordered; and secondly, the delivery of the right product within the time frame promised.
- Privacy/security. This involves the security surrounding credit card payments and the privacy of shared information.
- Customer service. This needs to be responsive, helpful and willing service with a quick response time to customer enquiries.

Many of the winners in the future retail scene will be those who can create a high degree of synergy between their online and offline outlets. There is already evidence of the rewards for retailers who successfully link offline with online because the fastest growing trend in consumer behavior is combining patronage of offline company outlets (shops and/or mail order catalogues) with online company websites. Bricks-and-mortar retailers will need to work hard to give shoppers something they can't get (yet anyway) in the virtual world – a stimulating or pleasant environment in which to browse with sensory appeals not available online (Solomon, 2016).

The analysis of the variables involved in the models of consumer behavior in the on-line environment presented previously, allow to give an indicator of the differences between both contexts of purchase, as of the competitive advantages that the consumers observe in the on-Line context, making them decisive in the selection of such channel for the purchase and search of the products, however, it also becomes necessary to describe the disadvantages perceived by the consumers associated with the acquisition of products through that channel.

2.5.1 Differential Aspects of On-Line and Off-Line Buying Channel

The purchase through a new channel as in a virtual environment, together with the differences that arise compared with traditional channel, makes certain evident differences of use as a method to search and purchase, many of them advanced and conceived in models of consumer behavior online.

There are two attributes regarding online and off-line purchasing, which allows to have a general framework of the aspects that differentiate one channel from the another: the freedom

and control offered by the online context, and the experiential attributes offered by the off-line channel (Wolfenbarger, 2001).

In this sense, the on-line space offers several attributes oriented toward the achievement of a purchase objective, which facilitate the benefits of freedom and control mentioned above.

The following aspects are considered main factors when the consumer decide to buy online:

Selection of products: it is considered by most consumers who make their purchases on-line, as a reason of importance, the on-line channel is perceived as an alternative through which a wide range of product options can be chosen, the website is consider a potential source of inventory, when conventional stores have a restricted stock and sometimes limited product assortment.

Accessibility and convenience: both attributes are considered as attractive, related to the availability of websites, without business hours and delays for ordering (as occurs by telephone mainly for food services), as well as time pressure, distance from home to the shopping establishment. It also raises both the wide availability of information that consumer can get from any brand or product website, as well as the ease of comparison of different attributes of products, mostly price comparisons.

Prices: the price is equally important both on-line and in conventional stores, it is suggested that the on-line channel facilitates the comparison of prices, since multiple sites can be visited only a "click" of distance and effort, and there is no pressure from the sellers to purchase the product. Consumers prefer online purchases when the price difference is considerable compared with traditional stores, however, it is considered proper to reveal the shipping costs in advance since that can affect the purchase decision, nevertheless, a lot of companies now are offering free shipping when consumers buy a certain number of products.

User-friendly interface / design and appearance of the website: the ease of use of the website is considered extremely important, where the user-friendly interface should be fast, with optimized search engines, products pictures and mainly intuitive and simple. If the website presents difficulties in its navigation or is not functional the consumer can consider it as untrustworthy therefore the consumer will not conclude the purchase, nevertheless, this situation can be tolerated if the product has a lower price or better conditions of sale compared with others websites.

Product return: this element is presented as one of the most important disadvantages of freedom and control offered by the on-line channel, because of the difficulty that represents to carry out the return process and the expenses involved. The combination of websites and physical stores for product return, is presented as a valuable alternative to solve this situation. Some manufacturers and retailers have facilitated the task of return, through free collection at home, without the consumer having to incur costs of time and displacement.

Sociability: this aspect is considered as highly differentiating in the on-line and off-line environment, Consumers perceive that in conventional stores more people are involved during

the buying process (sales personnel, family, friends, and people present in the store), generating a greater personal involvement compared with the online experience where consumers are completely in control of the information they want to obtain, and also allowing them to avoid pressures and discomforts from sellers, relatives or friends, regarding a particular product to be purchased or abandonment.

Personalization: currently one of those differentiated services is the personalization or online customization which helps mainly to improve the shopping experience of consumers, this tool allows brands to differentiate themselves from their competition offering an added value difficult to replace. This customization allows the user to have an experience in which he feels unique because he can modify and customize the product of his preference to his tastes and needs, which is not possible to do in the physical store.

In terms of the experiential qualities offered by the off-line channel, it is considered that the purchase through this channel is perceived as more pleasant than the online experience, contrasting the experiential qualities of carrying out the purchase through a traditional store with the benefits of online shopping (Wolfenbarger, 2001). In this regard, the following attributes are analyzed.

Environment: this element is strongly linked to the sensations captured by consumers through the senses (smell, hearing, and touch), nowadays a lot of department stores have sensorial strategies in order to push the consumer to buy, mostly through the use of several stimuli such as specific aromas and music among others.

Positive socialization: consumers perceive shopping in a traditional shop as a social event, some stores offer such a good shopping experience that the consumer ends up perceiving the buying process as a way of entertainment. On the other hand, interacting with salespeople allows the relationship development and provide confidence to the establishment which may subsequently lead to loyalty.

Impulsive buying: Consumers in general are more likely to carry out impulse buying on the traditional channel more than on-line, because the consumer is more open and more exposed to alternatives that are not precisely the motive for starting the search of information about some specific product.

Instant gratification: this attribute is related to the waiting time to start enjoying the product in question, the off-line buying channel gives a great advantage over the online channel, since this one offers the possibility to experiment immediately with the product purchased.

Product guarantee: this aspect refers to the representation of the product in the online store, in which pictures and informative descriptions sometimes are insufficient to fully get to know the item in question, while in a store it is possible to have a greater certainty of the characteristics of the product by the direct contact that can be experimented there, where the tangibility of the products through the consumer's senses plays a fundamental role between the choice of a specific product and its competitor.

2.6 E-Commerce Marketing Practices

E-commerce has expanded the market in activities much more than before. Its popularity has really emerged for certain goods and accordingly, retail sales on the Internet have outstripped sales in the stores. E-commerce not only encompasses business and technology but also societal issues such as concepts of privacy, knowledge-based assets, and our ideas about national sovereignty and governance (Rodgers, 2010).

There are four fundamental types of companies that use the Internet in the foundation of their business: 1) e-commerce companies that sell goods over the Internet; 2) content aggregators who gather and display content from multiple sources; 3) market makers that act as intermediaries or conduct electronic markets; and 4) service providers who furnish Internet based services (Afuah, 2003).

E-commerce can be divided into the next categories:

- Business to Business (B2B)
- Business to Consumer (B2C)
- Consumer to Consumer (C2C)
- Peer to Peer (P2P)

Business to business e-commerce consists mainly in the commodities exchange and some limited or specific market.

Business to consumer is the more common way of e-commerce since if some brand or company has a website where to show and sell their products therefore the consumer will be just one click away from purchasing the product.

B2C e-commerce has the ensuing advantages (Rodgers, 2010):

- Shopping can be quicker and more practical.
- Offerings and prices can adjust instantaneously.
- Call centers can be incorporated with the website.
- Broadband telecommunications can supplement the buying experience.

Consumer to consumer e-commerce is based on consumers offering products for sale through a third party in order to other consumers to purchase it. eBay can be a clear example of this, eBay is only an intermediary since it is a platform through the users can offer their products in exchange of a fixed fee charge or commission, they only offer a space where users can offer, sell and buy products.

Peer to Peer e-commerce consists on file sharing between the members of a specific network, this kind of e-commerce is more common between companies and clients, where the client is requesting some project to the company therefore they will be constantly exchanging information during the process.

P2P networks can be classified by what they can be used for:

- File sharing
- Telephony
- Discussion forums
- Media (streaming audio, video)

E-commerce uses a Web site to transact or facilitate the sale of products and services online. Online retail sales have exploded in recent years, and it is easy to see why. Online retailers can predictably provide convenient, informative, and personalized experiences for vastly different types of consumers and businesses. By saving the cost of retail floor space, staff, and inventory, online retailers can profitably sell low-volume products to niche markets. Online retailers compete in three key aspects of a transaction: (1) customer interaction with the Web site, (2) delivery, and (3) ability to address problems when they occur. (Kotler, 2012)

2.7 M-Commerce Marketing Practices

A very general mobile application is mobile commerce. Mobile commerce is the term for the extension of electronic commerce from wired to wireless computers and telecommunications, and from fixed locations to anytime, anywhere and anyone (Keen, 2001).

Mobile commerce can be defined as any e-commerce done in a wireless environment, especially via the Internet. Mobile commerce can also be viewed as mobile services with a transaction function; customers buy something from a third party using a mobile device and mobile telecommunication as a channel. By transaction services we mean services that facilitate the payment between third parties and customers for e.g. wireless shopping or mobile ticketing. (Kar, 2008).

The existence of mobile channels and media can keep consumers connected and interacting with a brand throughout their day-to-day lives. GPS-type features can help identify shopping or purchase opportunities for consumers for their favorite brands. In the United States, mobile marketing is becoming more prevalent and taking all forms. Retailers such as Amazon.com, CVS, and Sears have launched m-commerce sites that allow consumers to buy books, medicine, and even lawn mowers from their smart phones. The travel industry has used m-commerce to target businesspeople who need to book air or hotel reservations while on the move (Kotler,2012).

2.8 S-Commerce Marketing Practices

Social commerce, also known as social business has no specific definition because it has different meanings. Generally, social commerce is defined as the use of Internet based media to enable users to participate in the selling, buying, comparing, and sharing of information about

products and services in online marketplace and communities. Social media represent virtual communities characterizing Web 2.0, which has transformed e-commerce into social commerce together with the development of social media marketing (Sturiale, 2013), allowing a greater interactivity and participation among customers by means of sharing articles written by the community members. On the other hand, s-commerce is considered as a subset of traditional e-commerce. S-Commerce can be defined as well as a subset of e-commerce that involves using social networks to support social interaction for the online buying and selling of products and services (Busalim, 2016).

2.9 Methods of Diploma Thesis

The methodology used in this research is presented below, which allows the achievement of the objectives previously expressed. Specifically, through qualitative and quantitative research.

It has been considered desirable to carry out an initial qualitative research due to the lack of information in the literature on the experience of buying and consumer behavior regarding purchases of electronic devices from Apple and Samsung specifically, when these purchases occur in online and traditional consumption environments. Concretely, three in-depth interviews will be conducted to experts in online purchasing environments of electronic devices.

For the accomplishment of the quantitative research, information will be obtained through a structured questionnaire, which it will be distributed through social media and electronic mail, among the universe of study.

This is configured by consumers with consumer experience of electronic products from Apple and Samsung in a virtual and traditional environment.

2.9.1 Design of the qualitative analysis

Prior to the completion of the quantitative research, a qualitative investigation will be carried out based on three in-depth interviews with experts in online purchases of electronic devices.

The lack of information about the factors related to the purchase of electronic devices in online and offline environments and the absence of research on the phenomenon of online and traditional buying behavior and how these can be complemented, justify the realization of this first stage. The objective of this phase is to approach the topic of study beyond the information obtained from the literary research carried out in the theoretical part.

In this way, the testimony of experts in buying electronic devices in both online and traditional environments it will be collected. It is considered convenient to interview superiors responsible for areas related to technology and retail with extensive experience in this field.

In-depth interviews with professionals

Chart 1

Name	Position
Jennifer de la Mora	Founder & Digital Marketing Specialist at Limón con Chía
Ruben Ximenez	Founder of SchoolControl.com, Graphic, Web, Mobile APP UI-UX Designer & Front-End Developer
German Armenta	Product Development Textile at GERTEXTIL

Through these interviews is intended to obtain a practical vision of consumer behavior as well as his purchase experience in regards to the factors involved in online and offline purchases of electronic devices.

In order to develop the qualitative research, a support questionnaire composed of open questions regarding consumer behavior in online and offline environments has been used. Fieldwork was carried out during the month of June 2017.

The results obtained in this first phase have been particularly important for the progress of quantitative research. Specifically, have made possible to refine the structure of the proposed factors related to the experience of buying and consumer behavior where new aspects have been identified to be evaluated as well as the identification of factors that are no longer relevant to the consumer.

2.9.2 Design of the quantitative analysis

In quantitative research, the objectives of the study to be carried out and the specific information needs are conditioning factors in the choice of the statistical technique to be applied on the data collected, since the results obtained from its application can be very diverse, therefore, it is necessary to raise the appropriate measurement and analysis scales.

In order to meet the proposed objectives, a measurement instrument has been developed using survey methodology for data collection, by the elaboration of a structured questionnaire composed of 20 questions.

On the other hand, the questionnaire developed for this research was created under the assumption of obtaining information about the perceptions, behaviors and experiences that consumers experience during the online and traditional purchase process of electronic products.

2.9.3 Structure of the questionnaire

Initially questions were created in order to help to introduce the respondent into the context of the study object. Afterward, questions were created related to the previous online and offline purchases of electronic devices as well as their tastes and preferences. Finally, a series of demographic questions were included in order to analyze the variables of characterization of the sample.

As context variables, respondents are requested to answer about the habitual use of different digital tools for information searching on the intention to purchase both online and offline. In order to measure the level of trust and satisfaction with online and offline purchases of electronic devices, they are requested to indicate in various assumptions their level of agreement or disagreement, as well as being requested to indicate how often they purchase electronic devices online by a Likert rating scale of 4 scores.

As control variables, respondents are questioned about the way in which they prefer to make their purchases as well as through which websites they prefer to buy in the case of online purchases, also they are questioned about which electronic devices are the ones that they acquire the most and the sources of information search they use when they plan their purchases.

As classification variables, gender, age and schooling were used.

2.9.4 Population and Sample description

In order to obtain relevant information regarding consumers buying behavior and shopping experience it is necessary that the population to be analyzed has certain characteristics.

The sample will be set by the Confidence Interval Theory, this theory consists in the statistical range of values within which the true value of the defined target population parameter is expected to lie. (Hair, 2000)

The last number registered regarding the population of Mexico shows that in 2015 the country was composed of 119.6 million people (INEGI, 2015), 23.9% of this population belong to C, C+ and A/B socioeconomic level only 28.8 million, in order to have a valid research, its necessary to take into account this population number to calculate the correct size of sample.

This research will require 103 online surveys that should be applied to men and women between 35 and 20 years (Millennial generation) belonging to a socioeconomic level C, C + and A / B, with online and offline consumption habits.

The following table shows the data sheet that presents the quantitative research characteristics.

Data Sheet

Chart 2

Universe	119.6 million
Population	Men and women between 35 and 20 years belonging to a socioeconomic level C, C + and A / B, with online and offline consumption habits
Information collection method	Online survey sent via email and published on social media
Sample size	103
Confidence Level	91.5%
Margin of error	8.5%
Heterogeneity	50%
Period of the survey	June 2017

Millennial generation

The millennial generation has taken great importance in the last years because they represent the future labor force and therefore future consumers, the millennial generation is defined by the people who were born between 1981 and 1995.

This generation is characterized by very peculiar behaviors such as the following (Forbes, 2016):

- Digital natives: Dominate technologies
- Multi-device : Multitasking skills
- Nomophobes : Phone addicts
- Social
- Critical and demanding
- Require customization and new values: Value the participation and prefer to share rather than possess

Millennial generation is a good group to examine for the reason that they are an open generation to try new things and to comment on it so they are willing to share their experiences with their acquaintances regarding new products. This generation is always connected, so it is relatively easy to reach them by digital media.

3. ANALYTICAL - APPLICATION PART

In recent years, the exponential growth in the use of mobile devices, such as smartphones and tablets, e-commerce has been growing steadily among Mexican Internet users.

In 2015, electronic commerce had a market value in Mexico of 257.090 billion pesos, which represents a 59% increase since 2014, when its value was 162.1 billion pesos. Between 2009 and 2015, the value of electronic commerce in Mexico registered a growth of more than 900%, from 25.5 billion pesos to 257 billion pesos (AMIPCI, 2015).








In this sense, this research aims to find out how the growth in the electronic devices use has impacted in Mexican consumers online and offline experience purchase regarding the acquisition of electronic devices specifically from the companies Apple and Samsung.

3.1 Characteristics of Selected Companies

On 2016 Apple and Samsung were part of the “Best Global Brands 2016, both Apple and Samsung appeared in the top 10.

Best Global Brands 2016

Picture 5

01  +5% 178,119 \$m	02  +11% 133,252 \$m	03  -7% 73,102 \$m	04  +8% 72,795 \$m	05  +9% 53,580 \$m	06  -19% 52,500 \$m	07  +14% 51,808 \$m
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(Interbrand, 2016)

Apple is in the first position while Samsung is in the 7th position but as well is considered one of the favorite brands of consumers then it comes to technology.

3.1.1 Apple

Apple is a technology company that leads innovation with their products and software platforms, providing seamless experiences across devices, and empowering people with breakthrough services (Apple, 2017).

The brand from Cupertino (United States) continues to accumulate successes: in addition to succeeding in overthrowing Coca-Cola in 2012 as number one in the ranking after being in the

lead since 2000, this year Apple also repeats in the top position in the list "Best Global Brands", increasing its value by 5% over the previous year.

One of the reasons of Apple success has been the constant growth in sales, which have broken historic records in the last quarter of 2014 due to sales of its smartphone (iPhone) and its computer (Mac). The brand positioning of Apple in consumer's mind is mainly related to smartphones, since these are the products most demanded by consumers and the ones that have more weight in the total revenue of the brand, during 2015 the demand for smartphones grown almost 30% (Apple, 2015).

Other reason why Apple is the more valuable brand in the world is because of the visionary and innovative trajectory since its creation: being the brain of the company, Steve Jobs, the company revolutionized the industry of the computer science, music, telephony, tablets and digital publishing, that is why future strategies follow the same steps.

According to the latest Smartphone Vendor Market Share report of the International Data Corporation the data shows that Apple dropped slightly with shipments reaching 50.7 million units in the first quarter, down from the 51.2 million shipped in Q1 last year. Apple introduced a refreshed iPhone SE with more storage capacity (32GB and 128GB) that puts the mid-tier device in line with the rest of the iPhone portfolio (IDC, 2017). Especially during the first Q of 2017 it can be observed an important drop in Apple's market share compared to the last report of 2016, the difference is between 3%, but compared to its biggest competitor, Apple is in an unfavorable position since Samsung has managed to gain market share significantly during the last year.

Worldwide Smartphone Market Share

Picture 6

Period	Samsung	Apple
2016Q1	23.8%	15.4%
2016Q2	22.7%	11.7%
2016Q3	20.9%	12.5%
2016Q4	18.0%	18.2%
2017Q1	23.3%	14.7%

Source: IDC, May 2017

(IDC, 2017)

Apple aims to further strengthen the brand by expanding its presence to new sectors such as the automobile (through CarPlay), health (through the development of applications and devices to improve progress in the monitored health market) and on areas such as smart houses (HomeKit) or business houses, the last one with collaboration of IBM.

3.1.2 Samsung

Samsung is dedicated to making a better world through diverse businesses. Flagship company Samsung Electronics leads the global market in high-tech electronics manufacturing and digital media (Samsung Electronics, 2017).

The South Korean manufacturer of high technology in the 2016 edition managed to climb a position and rank as the number 7 in the global ranking, increasing its valuation 14% over the previous year. Samsung has been among the Top 10 brands of Interbrand's most valued brands since last year. It has been chosen to analyze its positioning due the rivalry with Apple in terms of smartphone devices. Samsung is number one in terms of market share according to the IDC last report (2017), with a 23.3% market share.

Samsung Electronics has three business divisions: CE (Consumer Electronics), IM (IT and Mobile Communication) and DS (Device Solutions). According to the financial data of Samsung, IM division is the one that offers more revenue to the company, being its weight of 57.7% in 2014 (Samsung, 2014). Mobile devices are part of in this business unit, which have delivered the highest sales in recent years to the company.

According to the latest Smartphone Vendor Market Share report of the International Data Corporation the data shows that Samsung regained control as the leader in the worldwide smartphone market despite a flat first quarter (0% year over year growth). Substantial discounts on the Galaxy S7 and S7 edge helped move last year's flagships as they make way for the new S8 and S8+. Outside of the high end, the product mix continues to shift toward more affordable models. The J-Series and A-Series drove significant volumes in both emerging and developed markets thanks to flagship-like design at more affordable price points (IDC, 2017). Particularly during the first Q of 2017 it can be observed an important raise in Samsung's market share compared to the last report of 2016, the positive difference is between 5%, but compared to its biggest competitor Apple, Samsung is around 8% above in market share numbers.

Samsung has shown that it is important for the company to know the products and to differentiate themselves from the rest of the competition, never the less it is important to mention that they are managing in a good way the problem they had during 2016 with the Galaxy Note 7, an early positive response to the recently launched S8 and S8+ looks promising as it may have put Samsung's Note 7 fiasco in the past.

3.1.3 Comparison of the Online Store and Physical Store of the Selected Companies

In order to compare both companies, an analysis was carried out in which various variables of the online stores and physical stores of each company were observed in order to be able to find possible improvement points. The investigation was carried out exclusively by analyzing the merchandising and buying experience of smartphones from both brands.

Chart 3

Samsung and Apple Comparison

	Samsung	Apple
Landing page (Online)	Focused on Galaxy Note 8	Focused on iPhone 7
Product search filters (Online)	Filters in order to choose the characteristics of the smartphone that you're looking for.	No search filters
User-Friendly interface (Online)	Yes, but it does not push you to buy	Yes, they make the buying process simple through a good shopping experience
Marketing (How they promote the product online)	Good with basic images of the product,	Very good, they show the experience of using the product through high resolution images.
Promotions (Online)	Yes, discounts and payment options but not online	Yes, payment options
Product Description (Online)	Basic	Very descriptive and simple
Free shipping	They do not offer online buying of its smartphones	Yes, with availability of delivery dates
Online Assistance	Yes, by chat or phone call	Yes, by chat or phone call
Shopping Experience (Online)	They do not offer online buying of its smartphones	Very good, easy and simple
Store Locator (Online)	Through the store locator it can find all the physical stores of the retailers where to buy their products	The store locator just directs to the only Apple store in the city, however it does not show all the points of sale where to buy their products

Physical Store Appearance	Well distributed and focused more on the customer than the product	Very sober and organized, minimalist and focused on the product
Shopping Experience (Physical Store)	Good, however, the sellers do not approach you unless you approach them.	Good, the sellers come to you when they observe that you are focusing your attention on a specific product,
Promotions (Physical Store)	Discounts depending on the retailer mainly	Payment options specifically with some credit cards

(Author's creation, 2017)

3.2 Characteristics and Presentation of the Data Obtained from Research

In this chapter, will be presented and analyzed all the information obtained from the qualitative and quantitative research.

3.2.1 Qualitative analysis

Through an open-end questionnaire, were applied deep interviews during the month of June 2017 to three Mexican experts in retail and online shopping.

An open-ended question cannot be answered with a "yes" or "no" response, or with a static response. Open-ended questions are phrased as a statement which requires a response. The response can be compared to information that is already known to the questioner (Wikipedia, 2017). Open questionnaires are used mainly to explore phenomena in those contexts in which their study has not yet been addressed.

This questionnaire allows to obtain qualitative information, in order to find out facts related to both online and offline shopping experiences that can be useful to this investigation. The facts obtained through this type of questionnaires are difficult to measure quantitatively since the answers are descriptive. Below the results obtained per question.

Question 1: How does your previous online search for prices impact when you are in the physical store?

German: Sometimes there are better prices online because of greater access to promotions, in my case I subscribe to the newsletters of my favorite products so I get this information directly to my email, that information is a call to action, and at the same time I get inform about the latest promotions or new products. On the other hand, in the physical store, what you see is what there is, many times you do not know the promotions unless a salesperson mentions it.

Ruben: Having previously reviewed several online prices, at the moment I am in the physical store I know if I am buying the product at a reasonable price or not.

Jennifer: When I am in the physical store the positive side is that I can physically see the product that I previously looked for online and I can verify if it is made with quality materials, since looking only online you are not really sure if the product will be of quality, however nowadays there are online stores like "Ben & Frank" that offers to send tests which gives you great confidence since you can know the quality of the materials of the product that you are buying before purchasing it.

Question 2: What is your motivation to buy online and what is your motivation to buy in a physical store? which one is your favorite?

German: I like more the physical store because there are times where the online store gives you good prices but most of the time does not give you a real idea of how the product is, or its quality, however when there are good promotions I prefer buy online, my motivation in both scenarios are price-based promotions, when I perceive that I am buying a product for a considerably lower cost, I am willing to buy it online.

Ruben: My favorite is physical store, but my motivation to buy online is the variety of products that in a physical store are not found and my motivation to buy in a physical store is that I have the product at the time I buy it, without having to be in my house waiting to be delivered.

Jennifer: I could not choose one, since both have their advantages, my motivation to buy online is that many times the prices are lower and you can buy from the comfort of your office or home or from your smartphone, there are no fixed times, and despite that you buy online there are products that you get very fast so it is not so much the wait, also online, it is very likely that they have almost any product since their stock is considerably larger than the stock of a physical store, in a physical store usually there are reduced stocks which is a limitation for the consumer when looking for a specific product.

My motivation to buy in a physical store is that you can see the product at that time and also the dynamics of going "shopping", all the experience that means to be shopping, which as women is an activity that we enjoy a lot. Compared to the online store, the experience is not so satisfactory from my point of view since this activity only consists on giving clicks to buy what you want.

Question 3: What is your perception about the shopping experience buying Apple and Samsung products?

German: My iPhone, iPad and Macbook were bought in a physical store, and the only thing I bought online from Apple are applications, videos or songs, however Apple always tries to make your shopping experience as friendly and practical as possible. On the other hand, I have never bought Samsung products online or in physical store.

Ruben: I have never bought Samsung products online or in physical store, however in the physical stores of apple I have had very good shopping experiences since you can try the products there, see them, touch them, use them, in general in the stores there is no other distractor more than the products. The physical stores of Apple in my perception are very minimalist for the consumer to focus solely on the product.

Jennifer: On my experience buying Apple products I could say that it was very good since I bought a MacBook, but first I searched the product online, however I wanted to see the product and try it before buying it, so I went to the store and there I tried it, however in the physical store there was not the same price and interest- free months promotion so I saw the product physically in the store and bought it online, it was very safe and I had the confidence to have guarantee in case of any problem.

Regarding my experience of buying Samsung products, I acquired my smartphone in Best Buy physical store, however when I bought it I had the support of a seller of Samsung which explained the characteristics of the different smartphones models that were there, overall my experience was positive.

Question 4: How does the appearance, color and interface of a website influence your online shopping experience?

German: I believe that the appearance, color and interface influence the buying experience as they can cause reactions, if the webpage is clean, clear, not exceeded information, in my case if I have too much information poorly organized gives me a bad sensation and I feel that I cannot see everything, however if the page is more sober, white backgrounds, very minimalist, I feel that my attention is focused on the products that interest me. In the case of the interface, while its search mechanism is as efficient as possible and easy to use I find it better, since it helps to decide what to buy easily, another important point in the interface is that the more friendly the site is the better, in other words if it helps to filter, by color, type of product, characteristics, all of these features have often pushed me to buy since I feel that the shopping experience is good and I approach the products in the way I need it.

Ruben: Yes, it influences my shopping experience since if it is an interface difficult to use, has a lot of information badly organized, or the architecture of the website is not well done, does not invite you to buy, if I do not find the information easily, I prefer not to buy. I could even be suspicious of the webpage, since my personal details or card details can be stolen or the order can be carried out in the wrong way.

Jennifer: It influences a lot, since the website should give you confidence in general buying online, online stores must be very visual, they must know how to show their products in the best possible way, with high resolution photos or videos mainly, so that you as the consumer wish to acquire the products.

Question 5: How does the appearance and layout of the physical store influence your shopping experience?

German: Regarding the appearance of the stores and their physical distribution, it is very decisive when the products have a good exhibition, are at the height of your sight, the better presented they are the better it will be sold, if the lighting is adequate, the atmosphere, the decoration if makes the shopping experience positive, on the other hand when there is visual disorder or when there is no adequate harmony, the experience tends to be bad. If inside a store there are elements that stimulate your senses the shopping experience will be positive and therefore that will push you to buy. For me it is important that the atmosphere that exists inside the store is good since that has often made me return and continue acquiring products of that brand.

Ruben: The appearance should be focused on consumer experience with the products, must have clear and sober colors, with a very good lighting focused on the products, the layout of the physical store must be made so that the consumer can try or see all the products and feel hooked from the moment that he or she enter to the store.

Jennifer: In a matter of a physical store for me if it is very important that the store look its best especially if it is the first time I'm considering buying something from that store, on the other hand if you see any product first online and then you go to the Physical store and appearance is not good, from my point of view, I would not trust to buy products from there.

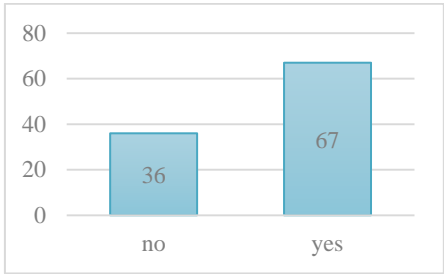
3.2.2 Quantitative analysis

Through a eSurvey Creator form, were applied 103 surveys during the months of June and July 2017 to Mexican population with the objective of knowing all the details about online and offline buying experience regarding electronic devices, below the results obtained per question.

Question 1: Have you bought any product online in the last three months?

About 65% of the participants have bought some product online from March to May 2017, which means that they are used to purchase in digital platforms.

Chart 4



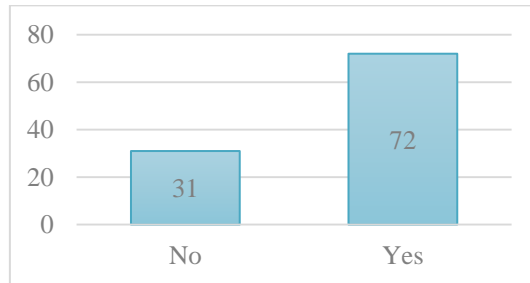
(Survey Data, 2017)

N=103

Question 2: Have you ever bought electronic devices online?

Only 30% of the participants haven't bought electronic devices online, while 70% have bought electronic devices online.

Chart 5



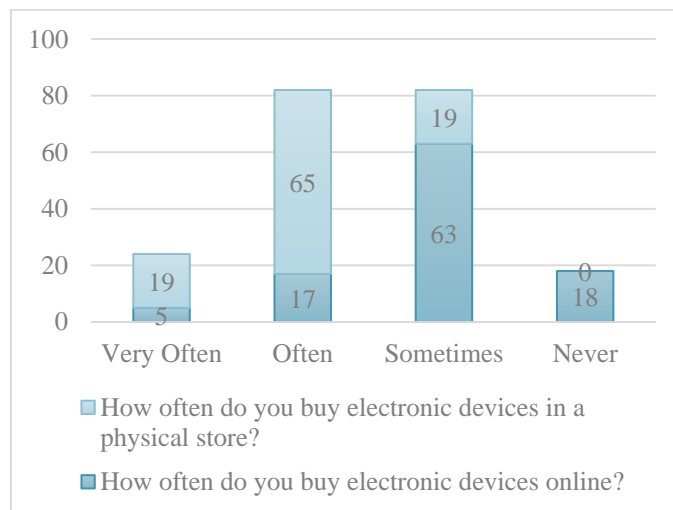
(Survey Data, 2017)

N=103

Question 3: How often do you buy electronic devices?

The data shows that 61% of the participants sometimes buy electronic devices online, only 5% are consumers that very often buy online, this chart clearly shows that consumers prefer to buy electronic devices in a physical store (63% buy often plus 18% who buys very often).

Chart 6



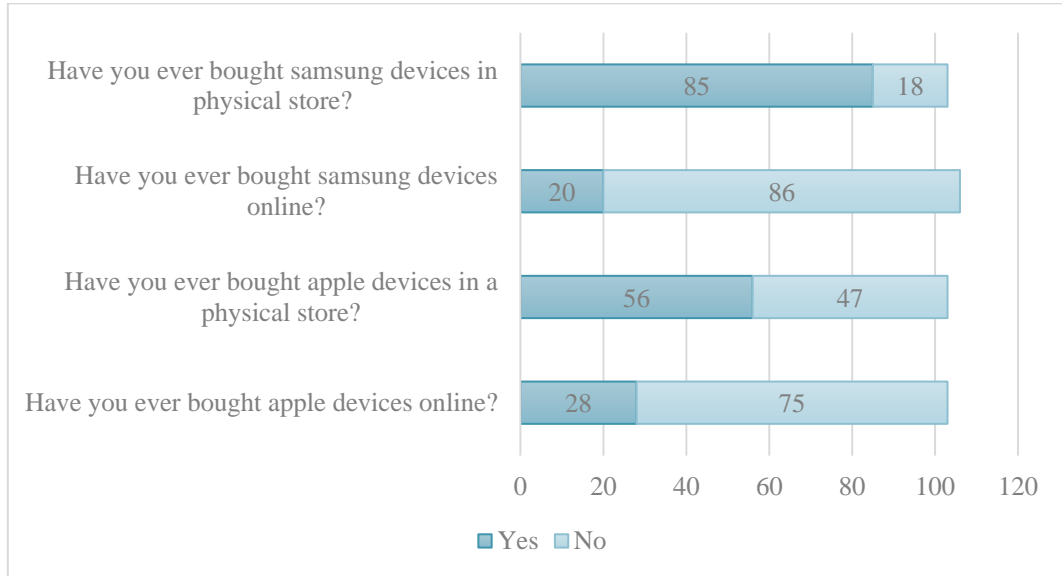
(Survey Data, 2017)

N=103

Question 4: Have you ever bought Apple and Samsung devices?

It can be observed that consumers who buy Samsung products have bought more in a physical store (87%) more than online (19%) while Apple consumers buy their products a little more online (27%).

Chart 7



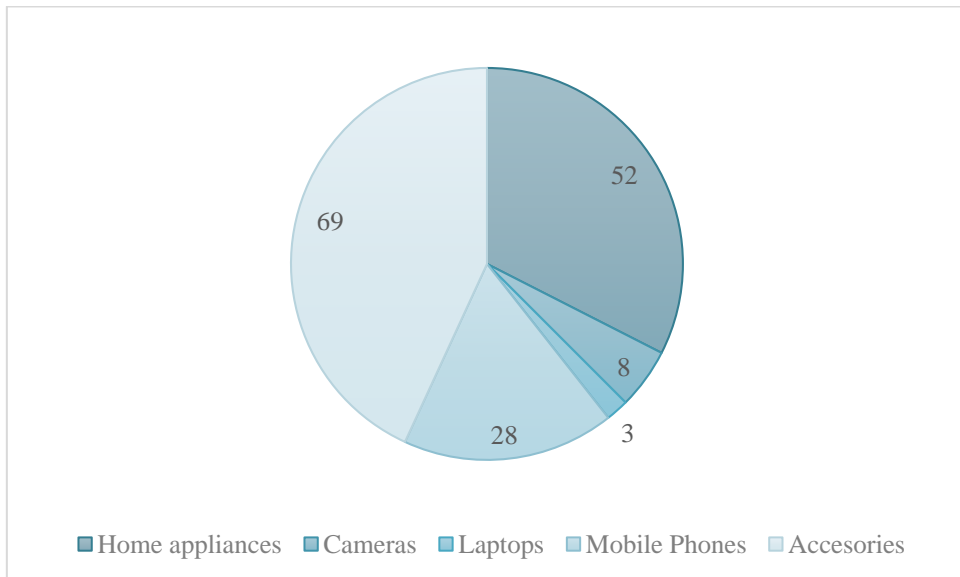
(Survey Data, 2017)

N=103

Question 5: What kind of electronic products have you ever bought online?

It can be seen from these results that most of the time consumers mainly buy accessories (67%) regarding electronic products followed by home appliances and in third place mobile phones (27%).

Chart 8

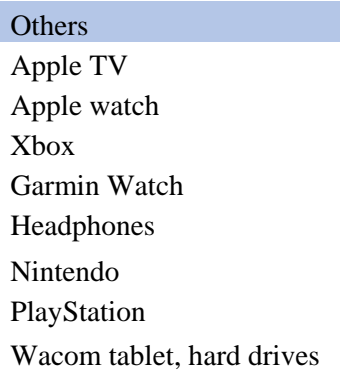


(Survey Data, 2017)

N=103

On the other hand, the information below shows the answers from those participants who filled in the check box others:

Chart 9



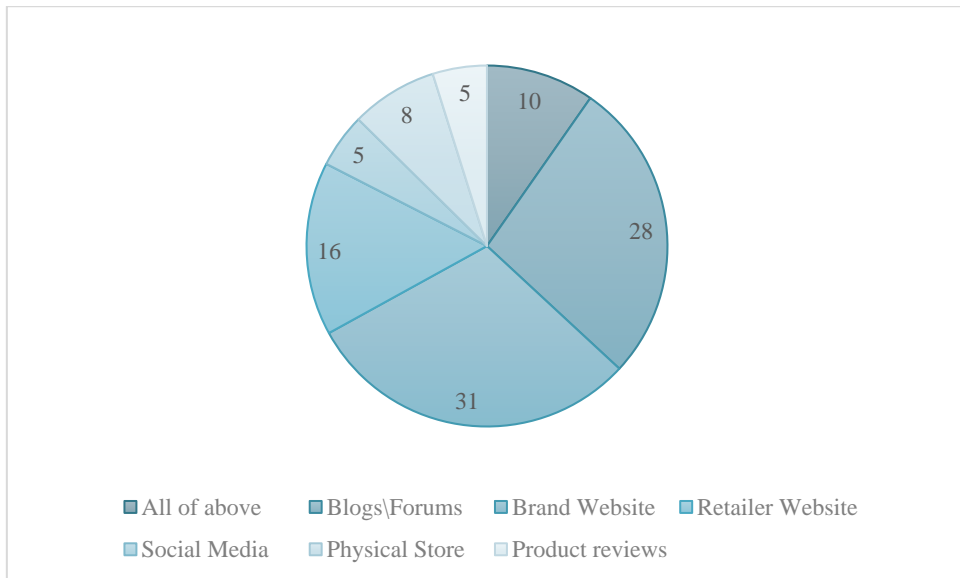
(Survey Data, 2017)

N=103

Question 6: How do you look for information about an electronic product?

According to the survey data the participants prefer to look for information in blogs and forums followed by the brand or product website and in third place some retailer website. It can be inferred that the consumer seeks for trustworthy references from other people who has acquired the same products.

Chart 10



(Survey Data, 2017)

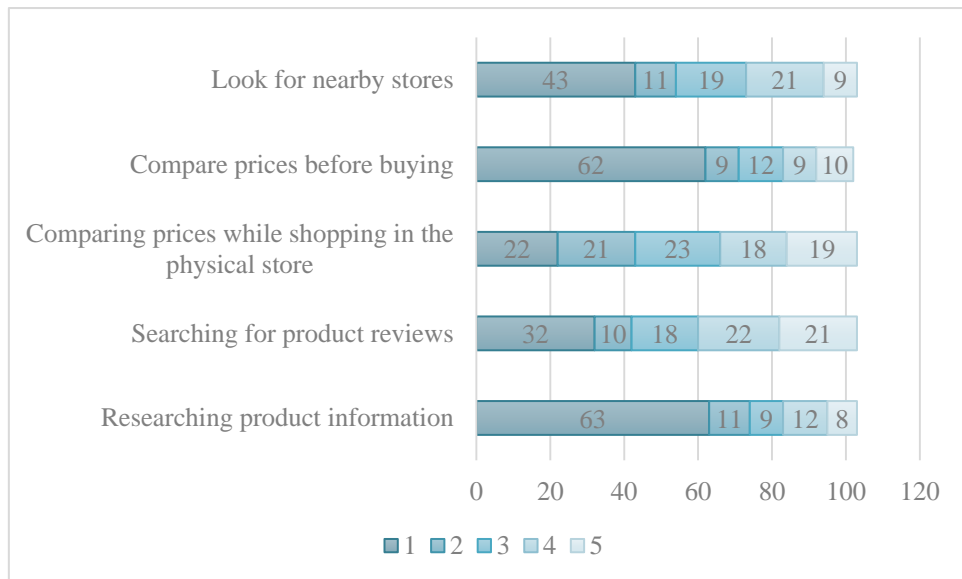
N=103

Question 7: Which shopping activity you do the most through your mobile device?

In this question the participants had to rank five shopping activities in order of most relevant to least relevant, and according to the results consumers use their mobile devices mainly to do

research of product information and compare prices before buying followed by look for the closest store.

Chart 11



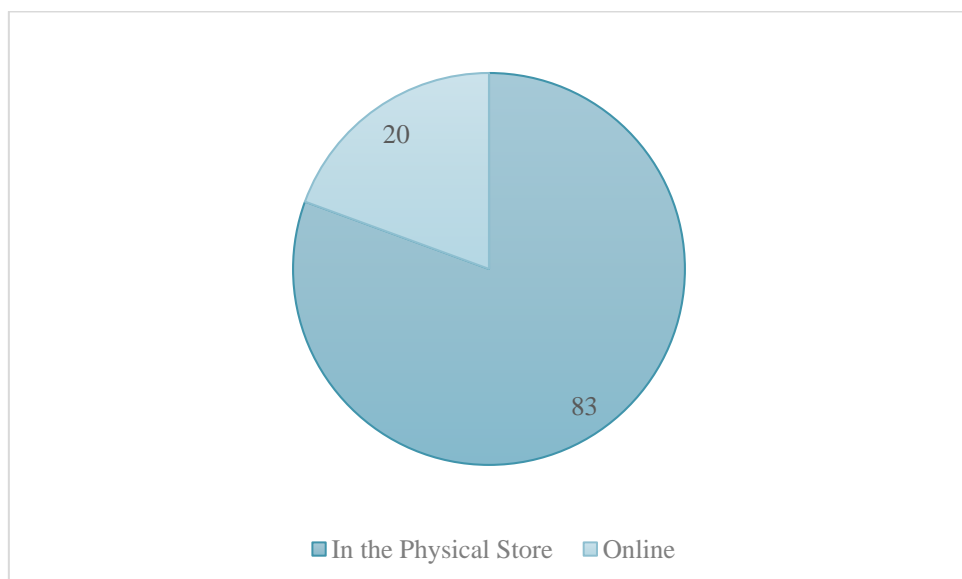
(Survey Data, 2017)

N=103

Question 8: Once you got all the information you need, How do you make the purchase most of the times?

This chart shows clearly that consumers still choose to buy in a physical store, but they prefer to look for information on internet before buying.

Chart 12



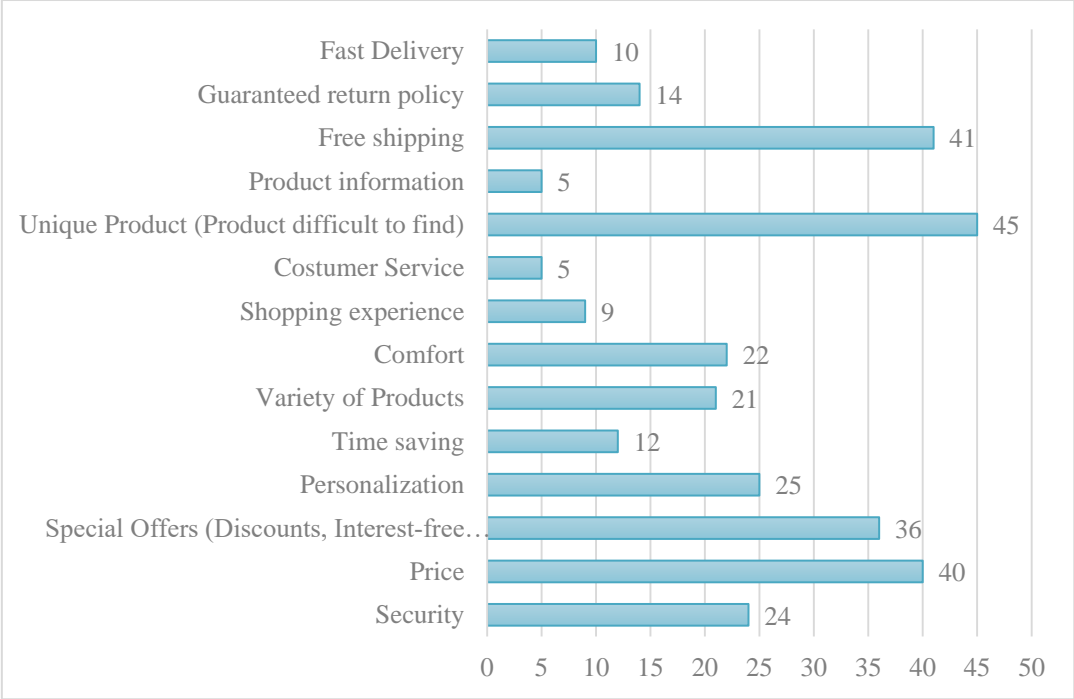
(Survey Data, 2017)

N=103

Question 9: Which are the most important factors when you are buying electronic devices online?

In this question respondents choose as their main factors when they are buying electronic devices online the following: Free shipping, Price and Unique product.

Chart 13

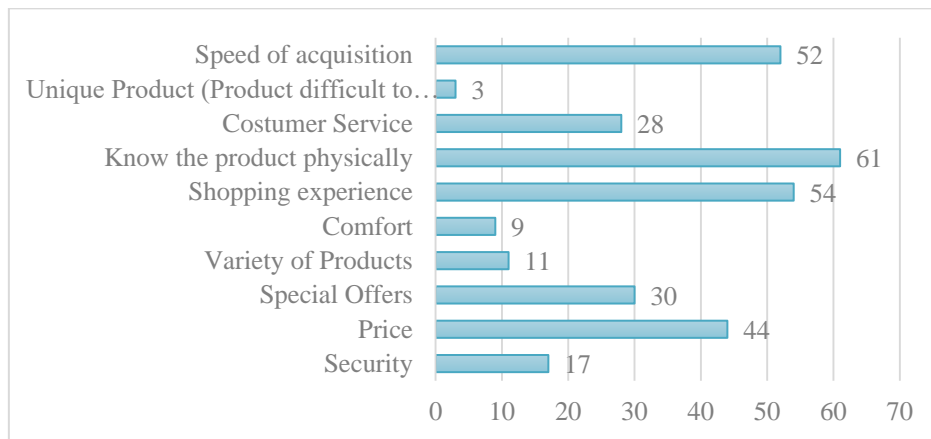


(Survey Data, 2017)
N=103

Question 10: Which are the most important factors when you are buying electronic devices in a physical store?

On the other hand, when participants were asked about their top factors buying electronic devices in a physical store they mainly answered the following: know the physical characteristics of the product, enjoy the shopping experience and that they don't need to wait to get the product.

Chart 14



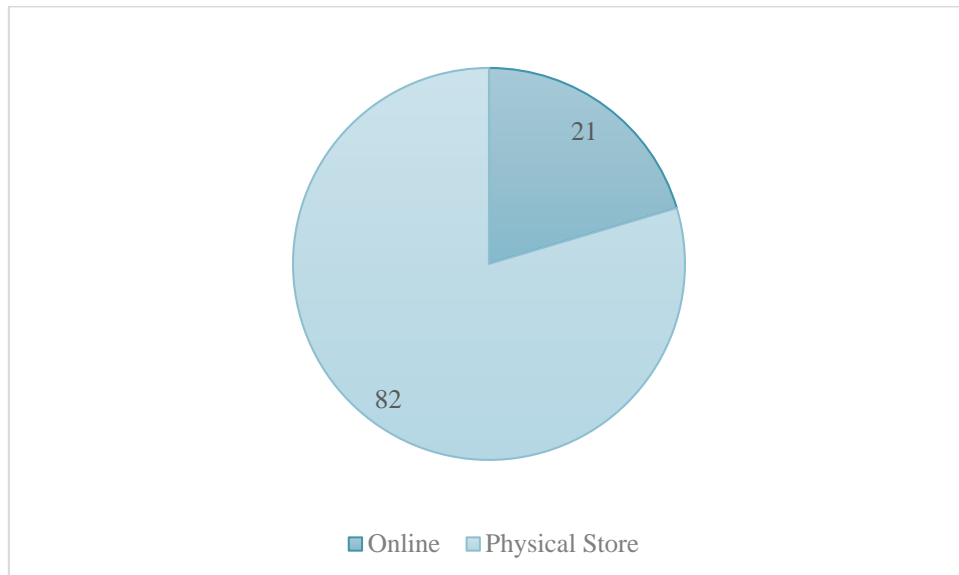
(Survey Data, 2017)

N=103

Question 11: Do you prefer to shop online or in a physical store?

With the answers obtained from this question it can be confirmed that the consumer still prefers to make their purchases in the physical store (82 out of 103).

Chart 15



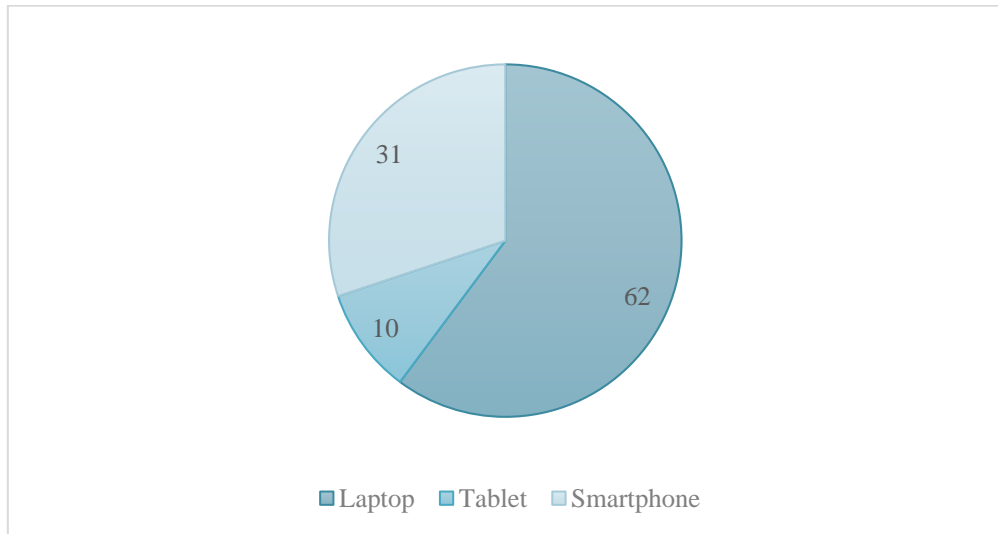
(Survey Data, 2017)

N=103

Question 12: What is the electronic device that you mainly use to carry out your purchases online?

Based on the survey it can be observed that 61% of the participants prefer to buy online through a laptop, while only 9% carry out their purchases by smartphone.

Chart 16

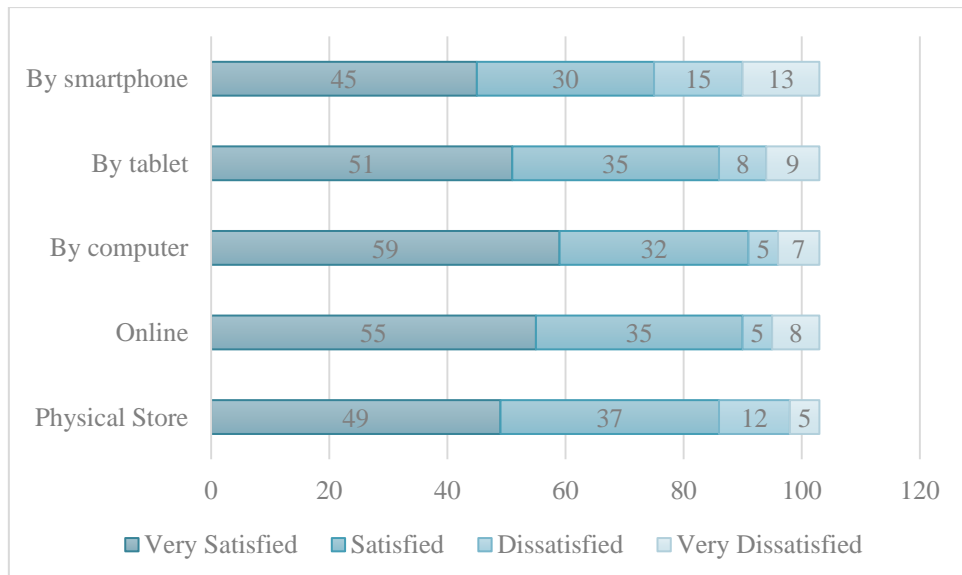


(Survey Data, 2017)
N=103

Question 13: How satisfied are you with shopping both online and in the physical store?

According to the data obtained from the research, participants were very satisfied with shopping both online and in a physical store, the highest score was for online shopping by a computer or laptop with the 58%, while the highest dissatisfied shopping perception was for online shopping by smartphone (13%).

Chart 17

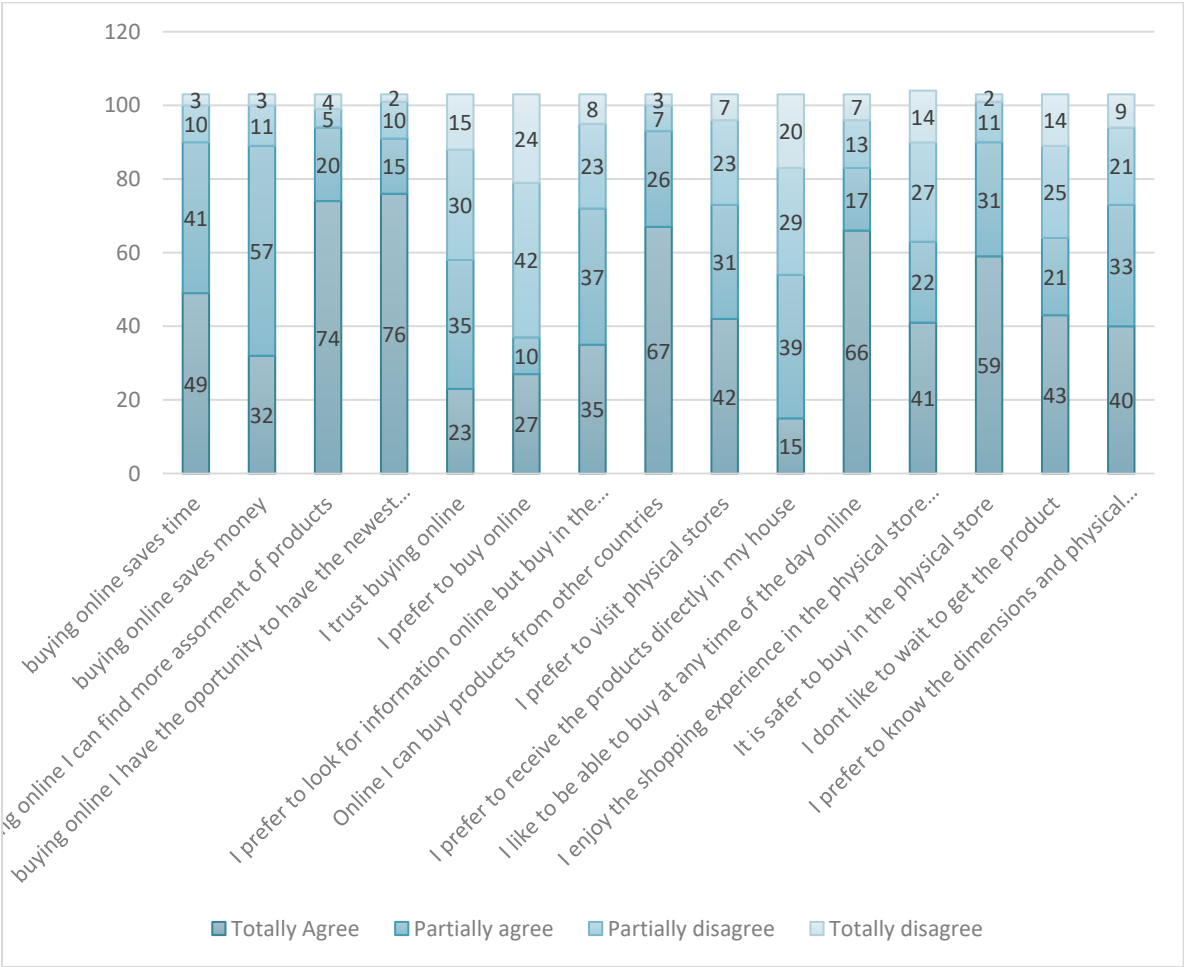


(Survey Data, 2017)
N=103

Question 14: Please indicate your level of agreement or disagreement about the following statements

By cross-tabulation of the variables placed in this question, it was intended to know the level of agreement or disagreement of the participants regarding the factors of their shopping experience both online and in physical stores. As can be seen in the table the highest scores of agreement are: buying online I can find more assortment of products, buying online I have the opportunity to have the newest products in the market and online I like to be able to buy at any time of the day, while the highest facts of disagreement were: I prefer to buy online and I prefer to receive the products directly in my house.

Chart 18



(Survey Data, 2017)
N=103

Question 15: If you want to buy an electronic device, through which website you will make the purchase?

The webpages that Mexican participants prefer to buy electronic devices are mainly by Best buy, Mercado Libre; Mercado Libre is an Argentine company dedicated to sells and purchases between registered users to its service of acquisitions, sales and payments by Internet (Wikipedia,2017); and through brands or product websites.

Chart 19

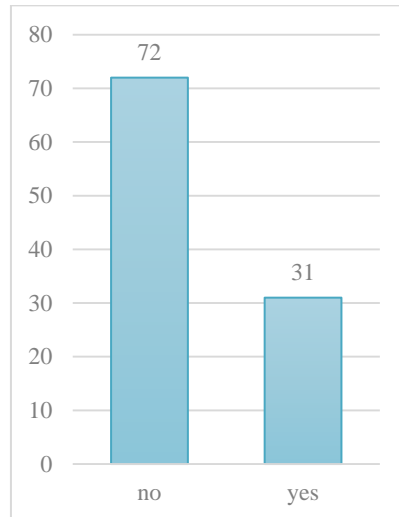
Row Labels	Count of 15. If you want to buy an electronic device, through which website you will make the purchase?
Amazon	8
Amazon because the site is secure	1
Amazon. Its a trusty website	1
Apple.com	1
Best Buy	17
Best Buy , Amazon	2
Istore from Apple ; Their store is safe	1
Liverpool.com	8
Mercado Libre	14
Mercado Libre	2
Mercado libre or privalia because it's safe and fast.	1
Palacio de Hierro	1
Privalia	10
Samborns.com	9
Sams.com	4
Sears	8
walmart.com	3
webpage of the product	11
webpage of the product, Best buy, liverpool apple.com	1
Grand Total	103

(Survey Data, 2017)
N=103

Question 16: Have you ever purchased electronic devices (laptops, smartphones, cameras) through social media groups (Facebook Buy/Sell/Trade Groups)?

Despite the fact that the participants are accustomed and acquainted with buying new and used products by Mercado Libre, most of them have never bought an electronic product through social media groups.

Chart 20

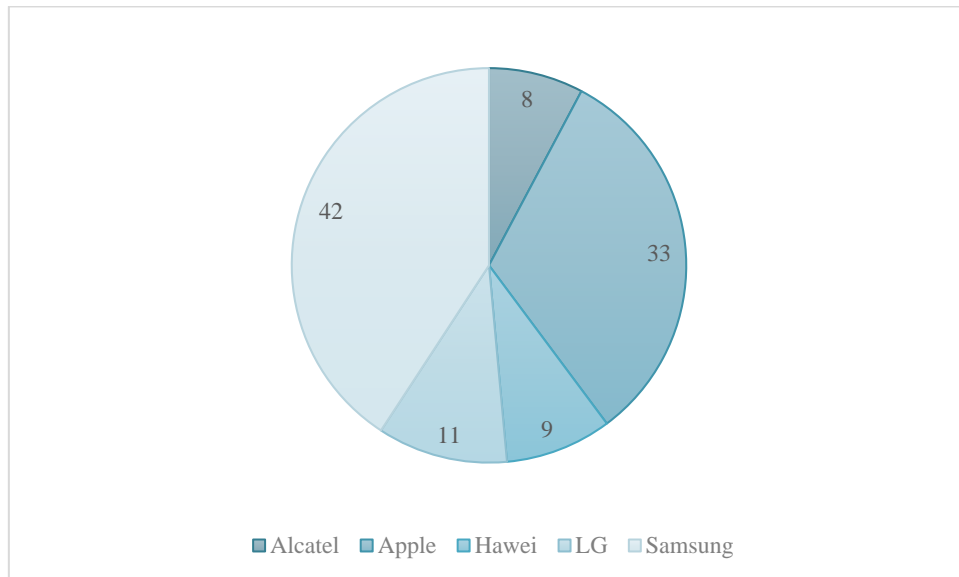


(Survey Data, 2017)
N=103

Question 17: Mention your cellphone brand

By means of this graph it can be observed that the market of smartphones in Mexico is dominated by Samsung however Apple is in second place followed by LG, taking into account the data obtained from this survey.

Chart 21

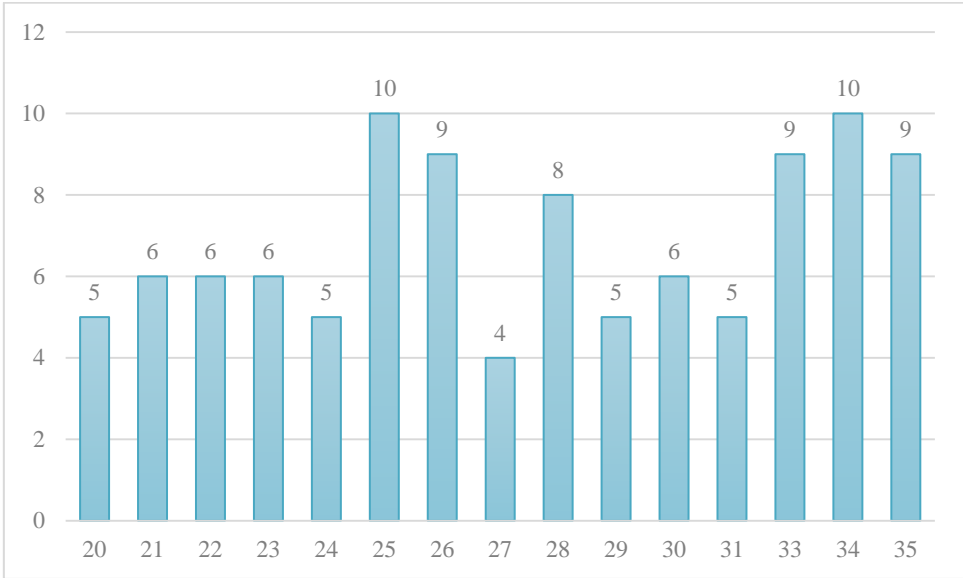


(Survey Data, 2017)
N=103

Question 18: Age

As mentioned above in methodology, the age range to be assessed would be people between 20 to 35 years old, the more frequent age was 25 years old with 10% and 34 years old with 10% as well.

Chart 22



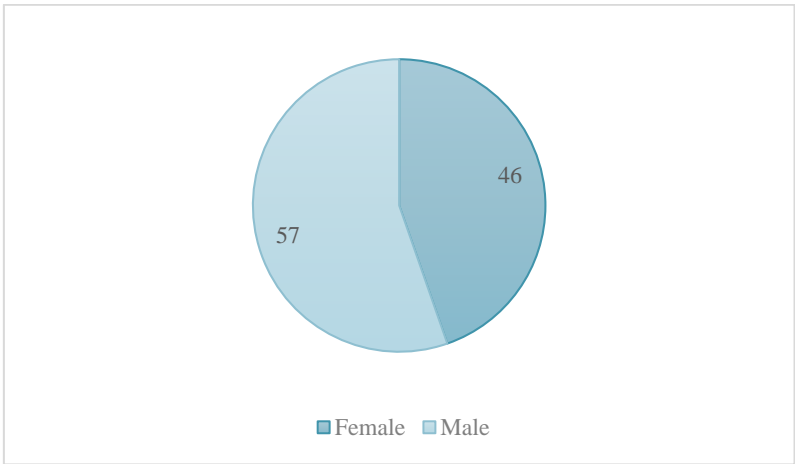
(Survey Data, 2017)

N=103

Question 19: Gender

From the 103 participants, 57 were men and 46 women

Chart 23

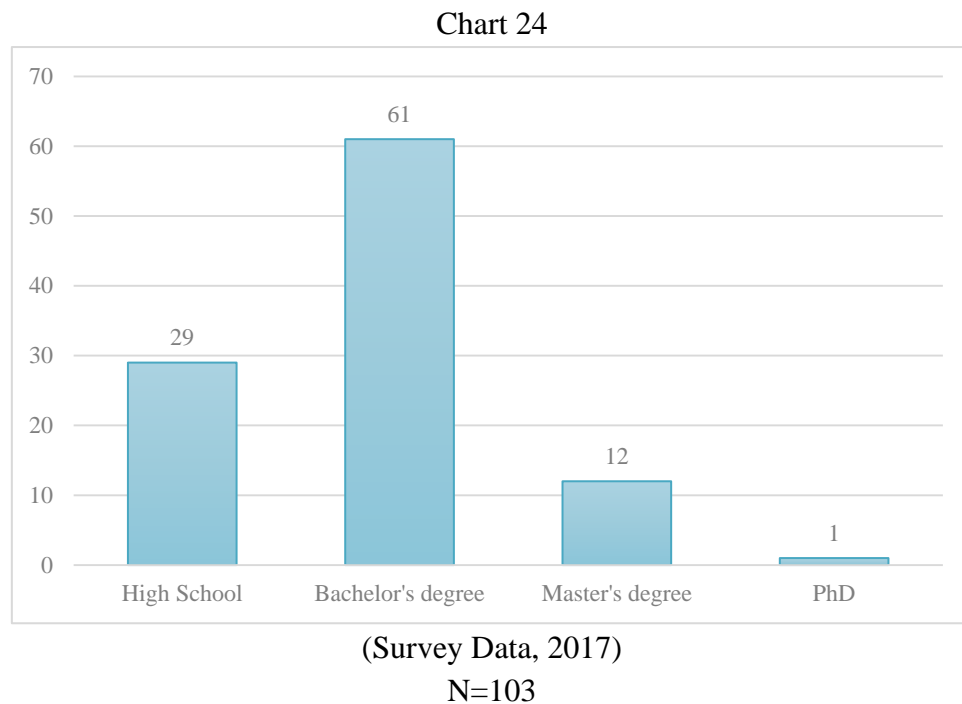


(Survey Data, 2017)

N=103

Question 20: Education Level

Most of the participants of these research had a bachelor's degree (60%).



3.3 Determinants of Consumer Buying Behavior

Thanks to extensive review and literary research, combined with the qualitative and quantitative research, it was possible to discover the most relevant factors that the consumer take into account when buying electronic products, either online or in a physical store, as well, it was considered the impact of these factors on the satisfaction level of the consumer during the shopping experience.

The firsts determinant factors are promotion, discounts or lower prices, those as the main motivation of consumers to buy online, the consumer feels motivated at the moment when he considers that is making a good purchase and as it was analyzed in the literature, this is achieved through the information research mainly online, which allows to compare prices and characteristics of many brands. The Mexican consumer is willing to wait to receive the product as long as he perceives an economic benefit.

As second factor, the information search online as a complement to the purchase process. The perception of price dispersion is considered as an indicator which conducts price comparison and searching, because with a greater range of available offers, consumers can obtain greater benefits from the search process, in this sense, by finding significant differences between the available prices online the consumer looks for more information, and even more when it comes to some expensive product.

In relation to the benefit related with the online research, it is evident that one of the differences most valued by the consumer compared with searching for information shop by shop, is the ease and comfort that internet offers, since many online shops and websites can be visited by the consumer just through an electronic device.

However, according to the data obtained from the quantitative investigation, most Mexican consumers previously search through the internet for the product they pretend to buy, but almost 80% of the times they make their purchase in the physical store, so that web pages of each brand operate as a complement of the shopping experience.

In this sense, the third relevant factor is the importance of the interface and design of the web page. It is important to mention that in the online environment the only senses that can be stimulated are sight and hearing, so it is important that the website attracts the attention of the consumer but at the same time offers a shopping experience that you cannot get in the physical store, this is why web sites must have interfaces as friendly and intuitive as possible so that consumers can feel confident and therefore willing to buy.

According to AMIPCI, in 2015, electronic commerce had a market value in Mexico of 257.090 billion pesos, which represents a 59% increase since 2014, when its value was 162.1 billion pesos. Between 2009 and 2015, the value of electronic commerce in Mexico registered a growth of more than 900%, from 25.5 billion pesos to 257 billion pesos. This information leads us to talk about the fourth relevant factor about consumer behavior when it comes to purchasing products online, the consumer often decides not to buy a product because he cannot know the quality of the materials with which the product was made, for that reason it is important for the active online consumers to have guarantees of return in case that the product has a defect or if something is wrong with it, in the same way according to the information obtained through the investigation it was confirmed that the consumer does not like to wait to have the product, so nowadays brands like Apple offer fast deliveries under a schedule of availability of deliveries in order to not keep consumers waiting.

The consumer no longer goes to the store only to buy a product, since that activity can do it online from home, the Mexican consumer moves to the point of sale to enjoy the shopping experience, the shopping experience in store is the last factor regarding consumer behavior. Despite the fact that consumer behavior has changed due to technological development, according to the data obtained in this research, Mexican consumers still prefer to buy their products in physical store, because they enjoy the shopping experience.

The shopping experience is based usually in a series of sensations that the customer perceives while visiting a store. In this sense, many elements that have become more and more important in recent years: from decoration, shop organization, visual merchandising, to music or smell.

In terms of customer service, the human factor is the key to achieve a good shopping experience. It is not only a matter of offering a sensory stimulation, but also to offer exceptional customer service from the staff, if the consumer decides to go to the physical store most of the times it is

because he is seeking the support of some seller who can guide him to take the best decision regarding the product he is looking for.

3.4 Recommendations and suggestions

Based on all the information obtained on this research, it is suggested a system in which both online and offline ways of buying can be integrated, since as it can be seen in the investigation, digital platforms, in this case brands websites, work as a complement of the buying process, that is why the system presented below suggests cross channel strategies where both channels can offer a shopping experience to the consumer.

This model was inspired on the two systems model of Daniel Kahneman, which propose that there are two systems inside human being brain, (Kahneman, 2011):

- System 1 operates automatically and quickly, with little or no effort and no sense of voluntary control.
- System 2 allocates attention to the effortful mental activities that demand it, including complex computations. The operations of System 2 are often associated with the subjective experience of agency, choice, and concentration.

In this sense, in order to improve buying process and experience of the consumer regarding electronic products, it proposed an approach to suit early and late stage of the process both online and in store. Through both stages, online researching behavior means a short window of opportunity to engage, therefore content needs to be focused and memorable.

The early stage is based on the content as a source of inspiration, during this phase it is suggested for brands to capture shoppers' attention in order to help them consider that brand as the best option. This early stage is divided on three actions: trigger, engage and inspire.

Trigger consist on activities to remind the consumer that the brand exists and it can be adapt to both shopping channels, in other words promote the products. Engaging advertising content can trigger or inspire the browsing experience.

Engage is based on raise consumer interest, this can be achieved by product images which convey product information visually, ensuring good quality and zoom functions on website, for consumer is critical to have the most realistic perception possible of the product. During engagement stage is very important to show the experience of having the product, this can be accomplished by consumer-focused videos, this strategies as well can help to capture low affinity consumers.

Inspire consist on generate options, so it is recommended to promote the new products but as well showing all the options that the brand offers, such as the different categories of smartphones or tablets, that is one of the reasons why the website needs to be neat and clear.

The late stage involve content as a source of information, in this stage it is suggested for brands to guide shoppers to make the right decision while they are looking for information, because in this phase consumer is willing or considering to buy, both online or in store. This late stage is composed by: shortlist and acquisition.

During shortlist stage consumer is collecting as much information as possible, that's why it is recommended for brands to provide detailed technical product information on their websites, as well as fulfilment information (availability and delivery time, among others). As it can be observed through the data obtained that for the consumer is important to have filter options, so brand websites should ensure guiding tools with varied filtering options based on the main characteristics of the product, that will offer a better online shopping experience and at the same time will make easier consumers searching.

On acquisition phase, it is suggested to inform consumer where to find a certain product, help it find a better price and help it as well to decide where to buy. During acquisition phase brands, can offer payment alternatives, lower prices (mainly online), but as well can guide consumer to the physical store, therefore it is important for brands to have information about where the consumer can buy their products, location and service hours.

4. CONCLUSIONS

According to the research developed, it can be concluded that there are specific factors which determine consumer behavior during the purchase process and therefore during their shopping experience.

Online search and e-commerce have transformed the way of buying as well as consumer behavior during the last years, Mexican consumers are open and familiarized with online shopping however they still prefer to buy in store because for them is important to see the product and to get it as soon as they want it. On the other hand, it can be observed that consumer is willing to wait for the product as long as they buy the product for a significant lower price or under promotion conditions. For this reason, it is recommended a system where the website complement the physical store.

In this sense, by means of the research it was found that the digital platforms are a great complement for the consumer when they are searching for information of the product as well as comparing prices between different retailers without having to cross each physical store.

The results presented in this research give an overview of online and traditional consumer behavior habits in Mexico as well as give an overview of what consumers are looking for when buying electronic products, this information also throws important variables regarding preferences, perceptions and level of satisfaction about their shopping experiences. Thanks to this investigation it was possible to identify deeply the determinant factors of consumer behavior regarding online and offline buying process in Mexico.

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Appendix

A.1 Questionnaire

Online vs Traditional Shopping Experience

Page 1

Good morning | afternoon! I kindly ask you to dedicate a few minutes of your valuable time since your opinion is very important, the information you provide will be anonymous, treated confidentially and solely for academic purposes.
Thank you very much!

Page 2

Have you bought any product online in the last three months? *

yes

no

Have you ever bought electronic devices online? *

yes

no

How often do you buy? *

	Very Often			Never
How often do you buy electronic devices online?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How often do you buy electronic devices in a physical store?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Have you ever bought electronic devices? *

	Yes	No
Have you ever bought apple devices online?	<input type="radio"/>	<input type="radio"/>
Have you ever bought apple devices in a physical store?	<input type="radio"/>	<input type="radio"/>
Have you ever bought samsung devices online?	<input type="radio"/>	<input type="radio"/>
Have you ever bought samsung devices in physical store?	<input type="radio"/>	<input type="radio"/>

What kind of electronic products have you ever bought online? *

- Home appliances
- Cameras
- Laptops
- Mobile Phones
- Accessories
-

How do you look for information about an electronic product? *

- Brand Website
- Retailer Website
- Blogs\Forums
- Social Media
- Physical Store
- Product reviews
- All of above
-

Which shopping activity you do the most through your mobile device? *

1 is the most common, 5 less common

- Researching product information
- Searching for product reviews
- Comparing prices while shopping in the physical store
- Compare prices before buying
- Look for nearby stores

Once you got all the information you need, How do you make the purchase most of the times? *

- Online
- In the Physical Store

Which are the most important factors when you are buying electronic devices online? *

*Select the three more important for you

- Security
- Price
- Special Offers (Discounts, Interest-free payment)
- Personalization
- Time saving
- Variety of Products
- Comfort
- Shopping experience
- Costumer Service
- Unique Product (Product difficult to find)
- Product information
- Free shipping
- Guaranteed return policy
- Fast Delivery

Please indicate your level of agreement or disagreement about the following statements *

	Totally Agree	Partially agree	Partially disagree	Totally disagree
buying online saves time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
buying online saves money	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
buying online I can find more assortment of products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
buying online I have the opportunity to have the newest products in the market	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust buying online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer to buy online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer to look for information online but buy in the physical store	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online I can buy products from other countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer to visit physical stores	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer to receive the products directly in my house	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like to be able to buy at any time of the day online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I enjoy the shopping experience in the physical store more than online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is safer to buy in the physical store	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I dont like to wait to get the product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer to know the dimensions and physical characteristics of the product before buying it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you want to buy an electronic device, through which website you will make the purchase? *

Have you ever purchased electronic devices (laptops, smartphones, cameras) through social media groups(Facebook Buy|Sell|Trade Groups) ? *

yes

no

Mention your cellphone brand *

Age *

Gender *

Female

Male

Education Level *

High School

Bachelor's degree

Master's degree

PhD

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Key Words

- Marketing
- Consumer Behavior
- E-Commerce
- Buying experience

JEL Classification

- M310 Marketing
- C830 - Data Collection and Data Estimation Methodology; Survey Methods; Sampling Methods

Abstract

This diploma thesis focuses on consumers shopping experience both online and offline regarding electronic products mainly from Apple and Samsung. The aim is to find out the determinant factors of consumer behavior by analyzing data from a qualitative and quantitative research about shopping habits.

The theoretical and methodological part includes the knowledge and theories needed in order to develop in the proper way all the investigation, influences in consumer behavior, key psychological processes, buying decision process, consumer information search behavior, online buying behavior, survey methods, segmentation, sampling, among others.

The survey was applied to 103 Mexican people in 2017 of A/B, C+, C socioeconomic level, the results of data processing is shown in charts, lists and tables, that allow the analysis of the determinant factors of buying behavior regarding electronic products.

The paper recommends improvements to the shopping experience in order to sell and promote electronic devices in the market, adjustments to the selling channels (online and physical store) based on the preferences and insights of consumers.