

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



Diploma Thesis

Consumer behavior

Illia Diedushev

© 2020 CULS Prague

DIPLOMA THESIS ASSIGNMENT

ILLIA DIEDUSHEV

Economics Policy and Administration
Business Administration

Thesis title

Consumer Behavior

Objectives of thesis

The diploma thesis aims to analyze relevant secondary data on Consumer Behavior, Marketing Management and Marketing strategy. This analysis will be combined with original primary reconnaissance, aiming to plan vital and concrete marketing strategy for a concrete company.

Methodology

“Literature Review” part will be elaborated based on relevant secondary data analysis and synthesis.

“Analysis” part will result from relevant secondary data and original primary reconnaissance combination.

Recommended structure:

1. Introduction
2. Goals and Methodology
3. Literature Review
4. Analysis
5. Results and Discussion
6. Conclusions
7. References
8. Appendices

The proposed extent of the thesis

60-80 pages

Keywords

consumer behavior, marketing strategy, marketing research, marketing management

Recommended information sources

BRADLEY, N. Marketing research : tools and techniques. Oxford: Oxford University Press, 2007. ISBN 978-0-19-928196-1.

HAWKINS, D I. – CONNEY, K A. – BEST, R J. Consumer behavior : implication for marketing strategy. Homewood: Irwin, 1989.

KANUK, L L. – WISENBLIT, J. – SCHIFFMAN, L G. Consumer behavior. Boston: Pearson Prentice Hall, 2010. ISBN 978-0-13-700670-0.

KELLER, K L. – KOTLER, P. Marketing management. Harlow: Pearson, 2015. ISBN 9781292092621.

MCCARTHY, J. – PERREAUULT, W. Basic marketing. Boston: Irwin, 1990.

Expected date of thesis defence

2019/20 SS – FEM

The Diploma Thesis Supervisor

Ing. Michal Chocholoušek, Ph.D.

Supervising department

Department of Management

Electronic approval: 4. 3. 2020

prof. Ing. Ivana Tichá, Ph.D.

Head of department

Electronic approval: 5. 3. 2020

Ing. Martin Pelikán, Ph.D.

Dean

Prague on 05. 03. 2020

Declaration

I declare that I have worked on my diploma thesis titled "Consumer behavior" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 03.04.2020

Acknowledgement

Firstly, I would like to express my sincere gratitude to my supervisor Ing. Michal Chocholoušek, Ph.D. for the continuous support of my study and research, for his patience, motivation, shared knowledge and continuous encouragement. His guidance helped me during all writing of this thesis. He was always open for consultation whenever I had a question about my research and steered me in the right direction.

Secondly, I would also like to thank all students of Czech University of Life Sciences Prague who were involved in the survey. Without their passionate participation and their answers, survey could not have been successfully conducted.

Finally, I must express my very profound gratitude to my father Diedushev Volodymyr and my mother Diedusheva Maryna for providing me with support and continuous encouragement throughout my years of study and through the process of researching and writing this thesis. This would not have been possible without them. Thank you.

Consumer behavior

Abstract

The purpose of the diploma thesis is to study consumer decision-making, customers' needs and preferences, discover peculiarities of consumer behavior in electronic retailing, reveal factors, which affects purchasing decision-making during online shopping and define key managerial implication concerning development of effective marketing strategy that could facilitate consumer engagement and provide competitive advantage for the company.

The study of consumer behavior follows a deductive and starts with analysis of theoretical background followed by qualitative research and survey data collection in order to arrive to important managerial implications concerning development of effective marketing strategy of the company in electronic retailing. Extensive literature review provides understanding of foundations of consumer choice, principles of consumer decision-making process, reveal the impact of psychological, cognitive, emotional and social factors on consumer behavior.

Results of conducted survey allows to identify newly emerging trends in market environment and determine criteria that modern customers operate making their choice in online shopping. Obtained results of research provide basis for managerial implications concerning development of effective customer-oriented marketing strategy that enable company to create personalized value propositions and reach customer satisfaction.

Keywords: consumer behaviour, decision-making process, marketing strategy, consumer engagement, online shopping, purchasing decision, customer retention, electronic retailing.

Spotřebitelské chování

Abstrakt

Účelem diplomové práce je studovat spotřebitelské rozhodování, potřeby a preference zákazníků, odhalit zvláštnosti chování spotřebitele v elektronickém maloobchodě, odhalit faktory, které ovlivňují rozhodování o nákupu při online nakupování, a definovat klíčové manažerské důsledky pro rozvoj efektivní marketingové strategie, která by mohla usnadnit zapojení spotřebitelů a poskytnout společnosti konkurenční výhodu.

Studie chování spotřebitele následuje deduktivní a začíná analýzou teoretického pozadí, následovanou kvalitativním výzkumem a sběrem údajů z průzkumu, aby se dospělo k důležitým manažerským důsledkům týkajícím se rozvoje efektivní marketingové strategie společnosti v elektronickém maloobchodě. Rozsáhlá literární rešerše poskytuje pochopení základů volby spotřebitele, principů rozhodování spotřebitele, odhaluje dopad psychologických, kognitivních, emocionálních a sociálních faktorů na chování spotřebitelů. Výsledky provedeného průzkumu umožňují identifikovat nově vznikající trendy v tržním prostředí a určit kritéria, která moderní zákazníci operují při výběru v online nakupování. Získané výsledky výzkumu poskytují základ pro manažerské důsledky týkající se vývoje efektivní marketingové strategie orientované na zákazníka, které umožňují společnosti vytvářet personalizované návrhy hodnot a dosahovat spokojenosti zákazníků.

Klíčová slova: spotřebitelské chování, rozhodovací proces, marketingová strategie, zapojení spotřebitele, online nakupování, rozhodnutí o nákupu, udržení zákazníků, elektronický maloobchod.

Table of content

1	Introduction	11
2	Objectives and Methodology	13
2.1	Objectives.....	13
2.2	Methodology.....	14
3	Literature Review	16
3.1	Nature and features of consumer behavior.....	16
3.2	Consumer decision-making process.....	22
3.3	Microeconomic approach to analysis of consumer choice.....	35
3.4	Behavioral foundations of consumer decision making process.....	41
3.5	Role of consumer behavior in marketing strategy development.....	46
4	Practical Part	50
4.1	Subject and purpose of qualitative research.....	50
4.2	Research design.....	53
4.3	Analysis of survey data.....	56
5	Results and Discussion	73
6	Conclusion	79
7	References	81
8	Appendix	84

List of figures

Figure 1	Components of consumer behavior framework.....	19
Figure 2	Types of consumer behavior.....	20
Figure 3	Consumer decision-making process.....	24
Figure 4	Issues that are addressed during consumer decision-making process.....	29
Figure 5	Factors that influence consumer decision-making.....	30
Figure 6	Role of psychological factors in consumer decision-making.....	34
Figure 7	Derivation of demand curve from consumer decisions pattern.....	39
Figure 8	Behavioral factors that impact consumer decision-making process.....	42
Figure 9	Effect of loss-aversion in consumer value function.....	43
Figure 10	Influence of consumer behavior on marketing decisions.....	46
Figure 11	Impact of consumer behavior analysis on customer satisfaction	47
Figure 12	Role of consumer behavior metrics in strategic marketing planning.....	48
Figure 13	Marketing strategy in the context of 7Ps marketing mix.....	49
Figure 14	Share of consumers that using the online shopping in 2019.....	51
Figure 15	Design of the survey.....	54
Figure 16	Response rate in conducted survey.....	56
Figure 17	Gender structure of survey respondents.....	57
Figure 18	Primary information channel for online purchasing.....	58
Figure 19	Primary payment method for online shopping.....	59
Figure 20	Social media as a key element of online shopping.....	60
Figure 21	Attitude toward receiving individualized product recommendations and offers and based on consumer profiling.....	61
Figure 22	Attitude toward importance of shopping research before purchase.....	62
Figure 23	AI-based marketing tools facilitate consumer decision-making.....	63
Figure 24	Attitude toward acquiring product experience before purchasing online.....	64
Figure 25	Attitude toward preferring environmental-friendly product.....	65
Figure 26	Factors that accelerate decision-making in online shopping	66
Figure 27	Trust as the main factor that determines decision to purchase online	67
Figure 28	Components of e-commerce logistics that mainly affects decision-making in online shopping.....	68

Figure 29	Attitude toward convenience and usefulness of replenishment subscription in electronic retailing.....	69
Figure 30	Social media that used as a primary source of information for shopping research before online purchase	70
Figure 31	Attitude toward considering emotional connection with a brand and sense of belonging to community as important factors that influence purchasing decision-making in online shopping.....	72
Figure 32	Proposed customer-oriented marketing strategy development process.....	78

List of tables

Table 1	Consumer behavior roles.....	17
Table 2	Lifestyle and purchasing pattern of a social classes.....	31
Table 3	Consumer behavior on different life cycle stages.....	32
Table 4	Two approaches to consumer utility analysis.....	36
Table 5	Axioms of consumer choice.....	38
Table 6	Benefits and drawbacks of electronic retailing.....	52
Table 7	Key peculiarities of consumer behavior in electronic retailing that discovered during the conducted survey.....	74
Table 8	Key factors influencing consumer behavior in electronic retailing that discovered during the conducted survey.....	75
Table 9	Key gender differences in consumer behavior that discovered during the survey	76
Table 10	Modern marketing techniques designed to affect consumer behavior and facilitate purchasing decision-making in electronic retailing.....	77

1 Introduction

Research of consumer behavior become increasingly relevant in modern globalized economic environment. Knowledge of the needs and motivation of consumers of the target market segments, as well as the patterns of their behavior, still remain one of the core preconditions for the development of an effective market strategy for the enterprise. In addition, analysis of consumer behavior provide validity of management decisions, and in combination with effective consumer profiling and engagement allows enterprise to affect market demand and rapidly increase its sales. However, knowledge of the needs and motivation of consumers cannot be completely obtained without deep understanding of the nature of consumer behavior. In this context, comprehensive analysis of core factors that determines features and patterns of consumer decision-making processes become a pressing issue and ongoing challenge for company's management.

Consumer behavior is the foundation upon which the whole marketing concept of the enterprise is based. Deep knowledge of consumers is a prerequisite for successful marketing activities, basis for choosing the target market, segmentation and development of effective marketing complex. The success of strategic development of the company depends on understanding the motives of potential consumers, the ability to competently analyze the decision-making process of consumers when they purchasing goods and services.

In modern global marketplace interest of company management in the psychology of consumer behavior, their product valuation methods and research of market alternatives caused by intense competition, saturation of markets with similar products due to the widespread use of social media marketing. This situation led to increased demand for research of consumer behavior in order to influence purchasing decisions, or at least take into account peculiarities of consumer activities by understanding the external and internal factors that shape the behavioral pattern of consumers, both individual and organizational.

Therefore, without knowledge of consumer behavior it is impossible for the company to work effectively in the market where competing companies produce products with a high level of similarity of its basic characteristics. The analysis of external and internal factors of influence on consumer behavior, understanding of the mechanism of purchasing decision-making of consumers allow to carry out its modeling and lately apply effective marketing tools to increase consumer engagement and loyalty.

Consumer behavior is a difficult subject to research because consumers are influenced in their decision-making processes by many internal and external motivators and determinants when they choose products. It is very difficult to research how these diverse motivators and determinants affect the consumer when they are making their choices. They may be affected in different ways using advertisement, product promotion, social media marketing depending on target market segment and type of product or service. The experience of purchasing will be very different depends on location, time and other reference points. For example, it takes much more time and involve more cognitive activities and careful consideration when purchase refer to expensive investments or directly affect consumer welfare in long run perspective.

The subject of consumer behavior is key to the underpinning of all marketing activity which is carried out to develop, promote and sell products in globalized marketplace. If company decide to build effective marketing strategy and win competition, provide outstanding value proposition for customers, optimize the effectiveness of marketing activities, it should try to understand how consumers make their decisions to purchase products and services. Understanding consumer behavior patterns enable company's management know how to promote product in the market and obtain the appropriate results, how to reach customer satisfaction with a particular product. More importantly, it allows to understand how to persuade consumers to choose certain products and provide value proposition more effectively to meet their particular needs. An understanding of consumer behavior is therefore crucial to make marketing activity more successful.

2 Objectives and Methodology

2.1 Objectives

Consumer behavior is the decision-making process and activity involved in collecting market information, evaluating market alternatives and choosing certain goods and services. The research of consumer behavior helps to study consumer preferences, forecast the customer's needs, design marketing strategies that facilitate retention of existing consumers, increase market share and gain a competitive advantage. Therefore, the main purpose of the study is to analyze consumer decision-making, customers' needs and preferences, discover peculiarities of consumer behavior in electronic retailing, reveal factors, which affects purchasing decision-making during online shopping and define key managerial implication concerning development of effective marketing strategy that could facilitate consumer engagement and provide competitive advantage for the company.

In order to adequately guide the research study of consumer behavior the following study objectives were defined:

- investigate theoretical background and principles of consumer choice;
- study the mechanism of consumer decision-making and reaching consumer optimum that involves summarizing an information, assessing alternatives and making market transaction to purchase product or service and satisfy needs;
- analyze consumer preferences and axioms of consumer behavior that allow person to rank goods according to the levels of their utility and make optimal purchase decisions in certain market conditions;
- study the influence of psychological, cognitive, emotional and social factors on the consumer decisions and fields of application of behavioral economics in analysis of consumer choice and development of effective marketing strategy;
- investigate role of key behavioral concepts including loss-aversion, framing, mental accounting, altruistic behavior in consumer decision-making and effectiveness of different marketing tools in modern economic environment;
- study the nature and features of marketing strategy of the company, and define the role of consumer behavior analysis in understanding purchasing patterns, customer needs and behavioral metrics to increase customer satisfaction and engagement, raise sales volumes and profit margin of the company;

- conduct qualitative research based on survey to determine consumer preferences in electronic retailing, identify newly emerging trends in competitive environment, reveal criteria that modern customers operate making their choice in online shopping;
- summarize core managerial implications concerning development of effective customer-oriented marketing strategy that enable company to create personalized value propositions and reach customer satisfaction.

2.2 Methodology

Research methodology based on different methods and combine them with qualitative approach. This approach involves the generation of data through conducted survey that refers to qualitative analysis and concerned with subjective assessment of different features of consumer behavior during online shopping and generates results in non-quantitative form using specially designed questionnaire based on 14 closed-ended questions.

Qualitative research aims at discovering the underlying motives and hidden principles of consumer behavior, using the survey for this purpose. Through such research method I will analyze the various factors which motivate consumers to behave in a particular manner and criteria that modern customers operate making their choice.

Given research design can be considered as appropriate and efficient in respect of chosen research problem. It minimizes bias and maximizes the reliability of the data collected, yields maximal information and provides an opportunity for considering many different aspects of consumer decision-making in modern economic environment.

The study of consumer behavior follows a deductive approach meaning that it starts with theoretical background followed by analysis of the role of consumer behavior in development of effective marketing strategy in order to arrive at the findings and managerial implications. The theory is the basis for investigating and performing previously defined study objectives. The research seeks out to examine the consumer behavior taking into consideration conceptual body of behavioral economics and modern consumer behavior metrics and tools in order to gather information on the subject as well as to make independent conclusions. The research goal is to present a clear illustration of how core behavioral principles and modern information technology changed consumer decision-making process that involves social media marketing, sustainable purchasing and community building. Extensive literature review establish theoretical background for

analysis of consumer choice in modern virtual marketplace. This method is followed by qualitative approach designed to provide validity and generalization of the research results. Qualitative research method based on survey. Design of the survey include objective, method, target population, number and type of questions, approaches to data collection, data analysis and summarizing results of research.

Research design is structured in a logical way in terms of covering the relevant topics. The aim of literature review was to build the relevant knowledge upon which the research can be based, and to set a foundation for the entire study. The theory of this study is based on existing models of consumer choice and concepts of consumers purchasing behavior in electronic retailing. Qualitative research based on results of survey allows to determine core factors, which affect consumer behavior during online shopping and could be used to develop effective customer-oriented marketing strategy of the company.

While the secondary data in this study consists of scientific papers and other relevant research documents and publications within the field of consumer behavior, consumer decision-making in e-commerce and buying processes. The primary data of the research is collected through the survey. The sampling frame of research is made up of students of Czech University of Life Sciences Prague, Faculty of Economics and Management. The survey received responses from 48 students.

In order to measure what has been obtained in the research the study is executed following the analysis of survey data as well as development of managerial implications. In order to provide an overall understanding of consumer behavioral patterns responses to each question of the conducted survey were analyzed separately. Study attempt to consider all key factors that influence consumer behavior in electronic retailing discovered during the conducted survey. Furthermore, the analysis presented using a descriptive approach and include illustrative and graphical presentations of the survey responses.

3 Literature Review

3.1 Nature and features of consumer behavior

Clear understanding of the consumer usually makes the difference between companies that succeed and those that fail. Understanding the behaviors of consumers company's management could make effective business decisions that raise revenues, lower customer acquisition costs, and increase customer retention and profitability. Consumer behavior reveal the external and internal influences that affect consumers in purchasing decisions and shows the marketing influence that businesses have on consumers.

Consumers are influenced by psychological and sociocultural factors. Therefore, by understanding a consumer behavior company can gain the type of insight about consumers that helps business succeed and stand out from the competition. Then entity may create an effective marketing strategy that accommodates consumer feelings, actions, and responses.

Consumer behavior can be defined as the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services. A process of buying starts in the minds of the consumer, which leads to the finding of alternatives between products that can be acquired with their relative advantages and disadvantages. This leads to internal and external research. Then follows a process of decision-making for purchase and using the goods, and then the post-purchase behavior which is also very important, because it demonstrate whether product has been a success or not and have direct relation to customer satisfaction (Noel, 2009).

Analysis of consumer behavior refers to the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires. Consumers take many forms, ranging between various groups of persons and items that are consumed can include anything from tangible products to intangible services. Study of consumer behavior is not limited to how a person purchases tangible products such as a bottle of water or hamburger. Consumer behavior also examines the acquisition of services such as a contract for a mobile operator service. Nowadays consumption playing an important role in our social, psychological, economic, political and cultural lives. That's why there is a growing interest in consumer behavior, not only in marketing but from the social sciences in general.

Consumer behavior examines how individuals acquire, use and dispose of company offerings. Goods and services can be acquired through purchase, but they can also be

obtained through barter or borrowing. After consumers acquire an item, they could use it in various manner. This could mean that the offering is consumed in one use or it could be consumed over time. If a product performs well then satisfied consumers can encourage others to adopt it through positive reviews; on the other hand, dissatisfied consumers can complain and encourage behavior ranging from non-purchase of a product to boycotting a company’s entire product line. Lastly, consumer behavior includes what occurs after a product is used. For example, some companies spend a lot of money to create products that can be recycled in some way and be regarded as environmentally friendly.

Term “consumer” generally refers to any person engaging in acquiring, evaluating, using and disposing of goods and services. Therefore, consumer in a broader sense could be considered as individual who identifies a need or desire, searches for a product to satisfy this need, buys the product and then consumes the product in order to satisfy the need. However, in many cases, different individuals may be involved in this chain of events and manufacturer must account for all of the different individuals involved in the purchasing and consumption process. Since people act out many different roles in their everyday life, they may modify their consumption decisions according to the particular role. The criteria that they use to evaluate products and services in one of their roles may be quite different from those used in another role. Primary way of thinking about consumer roles is to consider the various roles that the consumer may engage in (Solomon et al., 2016).

Table 1 Consumer behavior roles

Roles	Descriptions
<i>Initiator</i>	The individual who determines that certain need or want is not being fulfilled and purchases a product to fulfill the need.
<i>Influencer</i>	A person who by some intentional or unintentional word or action influences the purchase decision.
<i>Buyer</i>	The individual who actually makes the purchase transaction mostly is the head of the family.
<i>User</i>	The person or persons who consume or use the purchase product.

Source: Khan, 2007.

Consumer behavior is very complex and dynamic which keeps on changing constantly and comprises of both mental and physical activities of the person. Individual buying behavior is affected by various internal factors like his needs, wants, attitudes

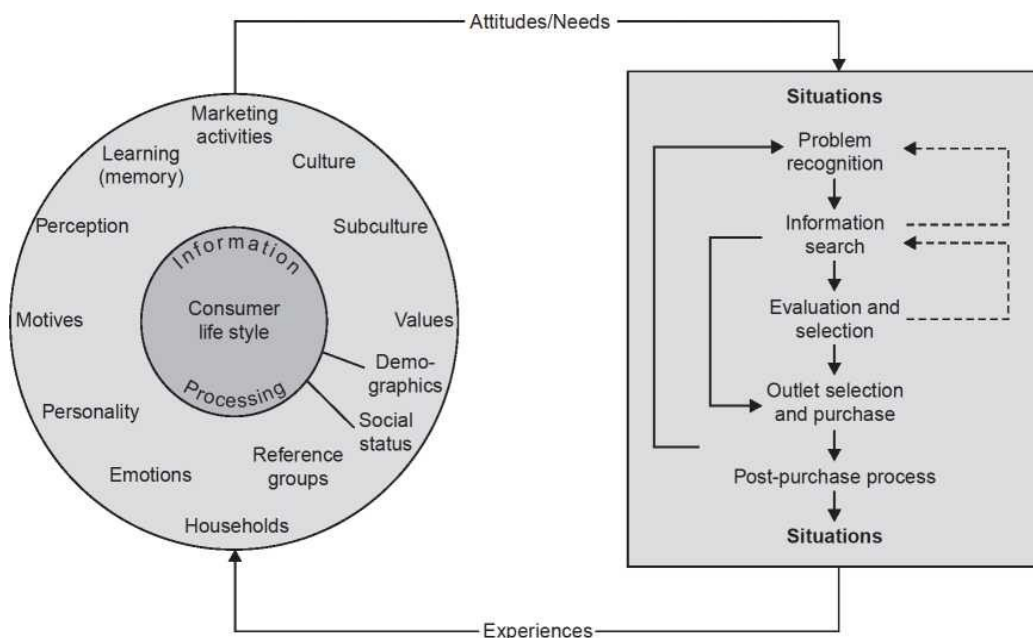
and motives and also by external factors like social groups, culture, environmental factors. Analysis of consumer behavior determines following key features of purchasing decision-making process.

- consumer always choose between different alternatives and explores various criteria for making this choice. Also, consumer can take into consideration many other things to make the right choice. Person could search to construct own identity through various consumption activities or to boycott products from companies or countries whose behavior does not meet ethical or environmental standards;
- knowledge of consumer characteristics plays an extremely important role in many marketing applications, such as defining the market for a product or deciding on the appropriate techniques to employ when targeting a certain group of consumers. For some purposes, marketers might find it useful to categorize consumers in terms of her age, gender, income, occupation or psychographics, which refers to aspects of a person's lifestyle and personality;
- purchase decisions are heavily influenced by the opinions of social environment. A lot of product information, as well as recommendations to use or avoid particular brands, is picked up in conversations among real people, rather than by way of television commercials, magazines or advertising messages. There is also pressure on each group member to buy things that will meet with the group's approval, and often a price to pay in the form of group rejection or embarrassment;
- consumers as a member of a large society share certain cultural values or strongly held beliefs. Other values are shared by members of subcultures, or smaller groups within the culture, such as ethnic groups. Accordingly, market segmentation strategies allows company targeting a brand only to specific groups of consumers rather than to everybody – even if that means that other consumers will not be interested or may choose to avoid certain brand;
- consumers' evaluations of products are affected by their appearance, taste, texture or smell. People often choose a product offering because they like its image. They may be influenced by the shape and color of a package, as well as by more subtle factors, such as the symbolism used in a brand name, in an advertisement, or even in the choice of a cover model for a magazine. These judgements are affected by how a society feels that people should define themselves at that point in time;

- customers' buying behavior determines their standard of living. Specifically, the more goods and services a person buys, the higher is his standard of living. Consumers who own luxury goods are considered to have higher social status;
- consumers behave differently for different products. Differences in consumer behavior are caused by individual factors such as a customer's nature, lifestyle, and culture. Some consumers may buy a large quantity of some items and small quantity of other items. Thus, marketers must understand consumer behavior well to take appropriate marketing decisions.

The total product creates an image in the mind of the consumer, who undergoes a decision process which leads to the outcome in terms of satisfaction or dissatisfaction, which reflects on the sales and image of the product or brand. The process of decision-making varies with the value of the product, the involvement of the buyer and the risk that is involved in purchasing the product. Figure listed below provide details that shaping consumer behavior, which leads a consumer to react in certain ways and makes a decision. The consumer and his life style is influenced by culture, values, demographic factors, social status, reference groups, emotions, perception and learning.

Figure 1 Components of consumer behavior framework



Source: Lake, 2009.

All these factors lead to the formation of attitudes of the consumer and determines type of consumer behavior. The type or style consumer behavior could be defined as mental orientation characterizing a consumer's approach to making purchasing choices. Depends on

key factor that influence and determine consumer choice there could be singled out ten types of consumer behavior (Schiffman, Wisenblit, 2018).

Figure 2 Types of consumer behavior



Source: Figure prepared by the researcher.

Consumer behavior provides a wealth of information about the individuals that purchase your products and services. When company understand a consumer, it can speak directly to him and his needs. This special communication not only increases the consumer's ability to understand the value in your product, but it also increases sales. Consumer behavior also provides insight on how to create an effective marketing strategy. Today consumers are

faced with an array of product selection, and competition is fierce among companies. This is why company's understanding of consumer behavior is vital to the success of the business. When manufacturer able to speak and market directly to consumers and the needs they're facing, it could assist them to walk through the decision-making processes and counteract any negative influences they may encounter in the process (Lake, 2009).

Summarizing analysis of the nature and features of consumer behavior it should be noted that most important reason for studying buying decision-making process is the role that it plays in comprehensive understanding consumer for the purpose of helping a company to achieve its objectives. Consumers strongly influence what will be produced, what resources will be used and it affects standard of living. All the managers in different companies are keen to understand the consumer including advertising managers, product designers, marketing and sales managers etc. Consumer behavior research provide company's managers with answers to following key questions (Kotler, Keller, 2015):

- What the consumer thinks of the company's products and those of its competitors?
- What factors determine consumer buying decision?
- How can the product be improved to meet customer needs?
- How the customers use the product in their everyday life?
- What is the customer's attitude towards the product and its advertising?

Consumer behavior is a complex, dynamic, multi-dimensional process, and all marketing decisions are based on assumptions about consumer behavior. Any product manufactured in order to fulfils the needs of the consumer. In this connection, a marketer has to know features of consumer behavior and mechanism of buying decision-making process. That's why consumer behavior knowledge has wide range of applications in various fields of economic and social relations.

1. A sound understanding of the consumer behavior is essential to the long-term success of any marketing program. Consumer behavior become the corner stone of marketing concept which stress on consumer wants and needs, target market selection, integrated marketing and profits through the satisfaction of the consumers.

2. Consumer behavior could be applied to improve the performance of government agencies and programs as well. Performance of certain government programs require improvement and it can be improved by knowing the needs and wants of the consumers. Getting checks from them for their likes or dislikes. Consumer behavior is also important in non-profit and social organizations including charitable organizations (Kotler, Keller, 2015).

3. Knowledge of consumer behavior also helps in marketing of various goods which are in scarcity. People are made aware that gas, fuel, water and natural resources are in scarcity. Consumers are encouraged to reduce their consumption of these commodities.

4. Consumer benefit from the investigation of their own behavior in a formal sense. When the consumer learns the various variables that affect his behavior he gets educated and understands better how to affect his own behavior (Khan, 2007).

In our opinion, it is easy to conclude that knowledge of consumer behavior helps company to improve marketing strategy and understand issues such as how the consumer thinks, feels, reasons, and selects between alternatives. Also, this knowledge could be applied to create effective marketing campaigns. If done correctly, marketing strategy can be used as a detailed road map that combines consumer behavior knowledge with marketing initiatives to achieve business goals. Study of consumer behavior allows company to understand customers and stay close to them.

Besides, knowledge of consumer decision-making process increases potential adaptability of the product. Product adaptability refers to forecasting the market for product in the future and gauging company's ability to meet anticipated changes when they happen. The more adaptable certain product is to consumers, the easier it will be to sell in a competitive market. When you have an understanding of the behavior of your potential consumers you can accurately determine what products your customers are looking for. Then company can use that knowledge to create a product strategy that will enhance the chances of products being successful in the marketplace (Lake, 2009).

Companies that have a grasp on consumer behavior more often develop products that contain the features and benefits that the market demands, and they almost always come out ahead of their competition. They can do this because they have an understanding of what the consumer is looking for and what benefits and features will move them to purchase the company's product ignoring offers of competitors.

3.2 Consumer decision-making process

Purchasing products on the market consumer engage in a sophisticated decision-making process. Understanding customer's needs and concerns as they move through that decision-making process company can increase chances of winning competition and raising market value of the business. Current market research shows that one of the major problem businesses face is that they fail to support the customer in that process.

In accordance with generally accepted approach customers go through a five-stage decision-making process in any purchase, whether it's a product or a service. Because the decision-making process is more cognitive than psychological in nature. These five stages that a consumer goes through when making a purchase decision are following:

Stage 1: Need recognition and awareness. At this stage consumer recognizes and becomes aware that he has a need, which should be satisfied through consumption.

Stage 2: Searching for information. At this stage, the consumer begins to search for information regarding a solution for the need that he has identified earlier. The intensity of the search depends on whether the purchase is a big deal to the consumer or not.

Stage 3: Evaluating the alternatives. At this stage, the consumer evaluates each alternative solution to determine which one is best for her in the context of value and quality.

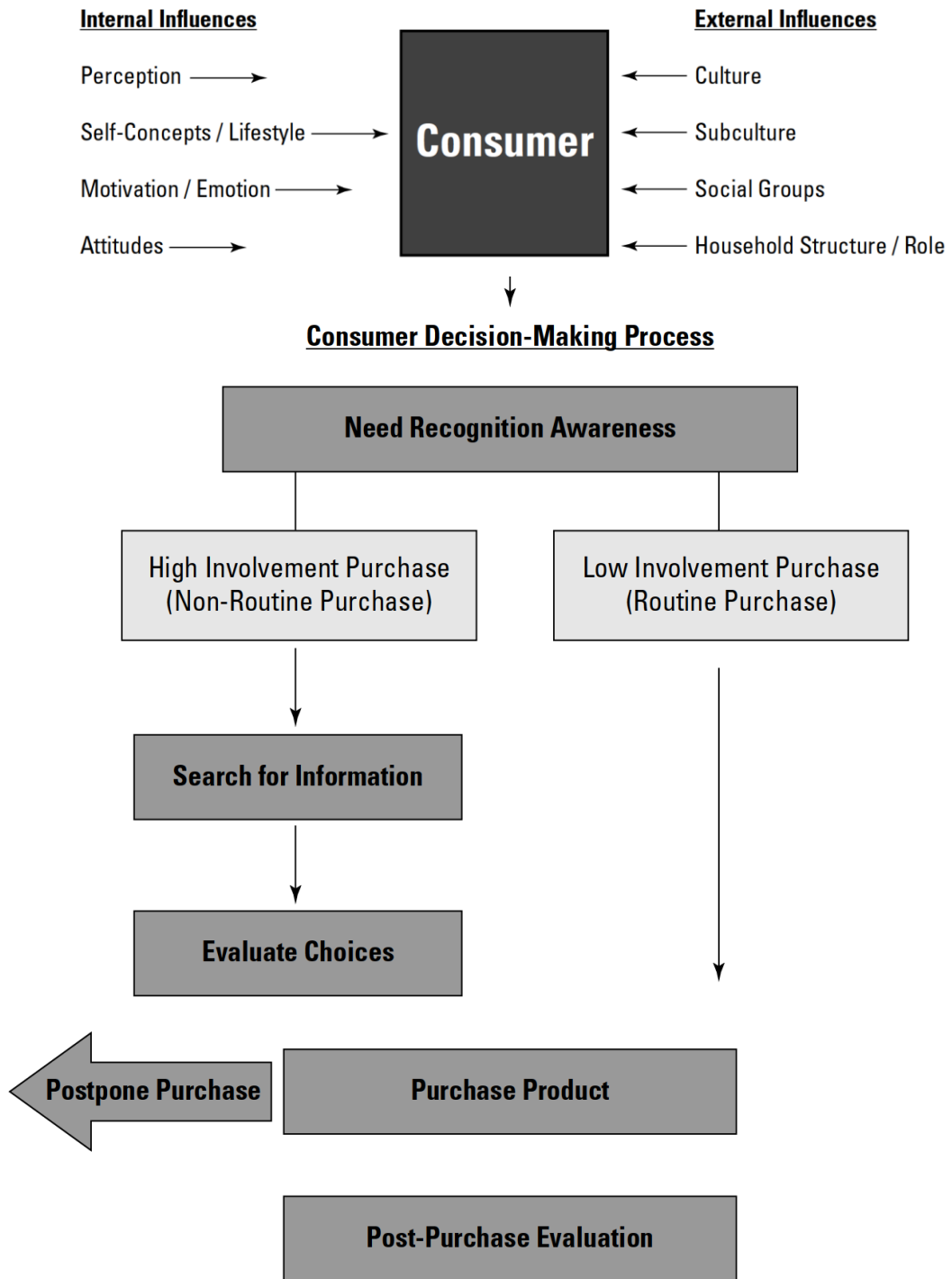
Stage 4: Purchase. At this stage, the consumer evaluates where and when to purchase and makes the purchase. If the need isn't great and the solutions the consumer finds aren't desirable enough to motivate a purchase, the consumer may postpone the purchase until he finds satisfactory opportunity to purchase alternative product on the market.

Stage 5: Post-purchase evaluation. At this stage, the consumer evaluates her purchase and decides whether he's happy with the purchase (Solomon et al., 2016).

At the beginning of the decision-making process, a consumer recognizes that he has a need and senses a gap between his actual state and his desired state. The consumer's actual state is his perception of his feelings and situation at the time. His desired state is the way he wants to feel or be at that time. A need can be triggered by internal stimuli or external stimuli. Internal stimuli are those from within that get the consumer to do or buy something. Internal stimulus might be feeling sleepy and wanting rest, being hungry and wanting food, or feeling cold and searching for warm clothing (Mothersbaugh, Hawkins, Kleiser, 2019). External stimuli are the outside influences that get consumer to do or buy something. It includes advertisements or conversation with friends that cause an awareness of a need, consultative selling, which is the seller's ability to uncover a need. In this case to affect consumer decision marketing manager should identify the need that potential customer has and speak to that need in advertising and marketing messages.

After consumer realizes he has a need, he starts to search for solution, gather information that will fulfill his need or solve the problem he has identified. The need sometimes can rise so high that it becomes a driving force in the individual.

Figure 3 Consumer decision-making process



Source: Lake, 2009.

Consumers begin the information search process by conducting an internal search of what they're looking for and what will fulfill their need and desire on a personal level. Then they follow up with an external search for information from friends, family members,

salespeople. This activity provides consumers with criteria for assessing product alternatives and results in a set of potential choices. As a consumer begins to gather information, the intensity of the search is easily categorized into one of two levels. The level in which the consumer starts depends on the urgency and intensity of the need. The two levels of the search are as follows (Parsons, Maclaran, 2009):

- heightened attention when consumer is more open to receiving information regarding the item he has determined as a need. Person could go online to search for information, look through magazines, and read advertisements but his search isn't intense and he won't scour for instant solution;
- active information search when a consumer's need becomes more intense and he enters the active search phase and really invests in the search process. The consumer will begin to gather information by reading material and asking friends.

The amount of research a consumer does depends on the strength of the need and the drive that it creates. Consumers often use several sources for information, including personal sources (family, friends, neighbors, and acquaintances), commercial sources (advertising, salespeople, dealers, product packaging, retail displays, and the internet), public sources (editorial media coverage and consumer rating organizations), experiential sources including examining and using the product on a trial basis (Khan, 2007).

In consumer decision-making data gathering is followed by evaluating, identifying, and assessing the value of the alternatives. The consumer looks at the features that he wants. The depth of evaluation often depends on the individual consumer and the importance attached to the specific buying situation. When it comes to purchasing, if attractive alternatives are available, consumer will work to determine which criteria to evaluate and will judge each alternative's relative importance when it comes to the final decision.

Commonly consumers use the following three types of choice processes: affective, attitude-based and attribute choices. First one is based on an emotional factor. A consumer will make a decision based not on the fact that it follows decision rules but that it feels right to make that purchase. This may mean that the consumer doesn't go through the research process the purchase just feels right or makes the consumer feel good.

Attitude-based choice could be considered as systematic, rules-based process. The consumer will go through the entire process from need to research to evaluation, and make sure that the product meets each and every need he has identified. Last type of choice process

is strictly based on benefit and feature-by-feature comparisons across specific brands or products. The product that's left is the one the consumer purchases (Lake, 2009).

In consumer choice there are also considerable differences between high-involvement and low-involvement purchases. First type refers to the products or services that involve a high expenditure or a great deal of personal risk. When a purchase is highly involving, a consumer goes through a more in-depth evaluation process. Person puts more time, attention, and energy into the research phase of the buying process and making a value decision by weighing several equivalent products and trying to make the best decision.

Low-involvement purchase refers to products or services that involve a lower expenditure and less personal risk. This type of purchases is less about value and more often about convenience, that is why they require a simple evaluation process.

Knowledge of the certain type of purchase evaluation process allow company to influence the buyer's decision. For instance, when it comes to high-involvement purchases, it's important to provide consumer with information that reaffirms the positive consequences of buying. Marketing manager could stress the important features of the product and the advantages compared to competitors. This emphasis is extremely important to the consumer in a high-involvement purchase, because it allows him to see value in the purchase. On the other hand, when it comes to low-involvement purchases, company can generally provide less information and still move the consumer past the evaluation process. He spends less time and attention on research because consumer making a decision that's based on impulse. On the other hand, in situations where the consumer can't find acceptable alternatives, a decision to delay or not make a purchase is often made. The best way to avoid this situation is by providing the consumer with all the information he needs, including a list of features that compare product with that of competitors. This information can make the consumer feel more at ease about the purchase decision, and it often helps him to move forward in the purchase (Noel, 2009).

After consumer selects the best alternative he is arrive at the next stage of decision-making process and should determine buying value of the product. This term describes overall perception of the worth the customer is getting by purchasing the given product. Buying value refers to price, service, quality and experience. Core factors that come into play when determining buying value is the quality and the customer service the consumer receives. Buying value determined by following four factors:

- Terms of the sale. Core element of terms of sale is price. In addition, consumer evaluate payment method, length of payments, terms of delivery and warranties as well. All these terms affect whether the consumer purchases a product or service.
- Past experience. If the consumer has purchased products of certain company before, he will evaluate the services that company provided in the past. Therefore, if the consumer was not satisfied with the past service, it's easier for him to continue searching for someone else to buy from unless company can convince him that it is improved service level or product quality and now have the ability to meet or exceed consumer expectations and needs (Lake, 2009).
- Return policy. A concise and clear return policy gives a consumer a sense of security. It can make him feel that what he's buying is guaranteed to be what company have represented it to be. Otherwise, when company don't give the consumer a return policy, he has a reason to avoid purchasing the product.
- Pleasantness of the shopping experience and store atmosphere. Both factors play a crucial role in the decision-making process. Atmosphere that company create during purchasing process can move the consumer into a comfort zone that encourages him to move through the steps of purchasing. The atmosphere includes the design of building, interior space, layout of aisles, texture of carpet and walls, scents, colors, and the shapes and sounds experienced by the consumer. It's make shopping experience rewarding to the consumer (Peter, Olson, 2010).

If consumer is satisfied with service, experience and shopping atmosphere, the purchase will be made. Experience can be created by providing incredible customer service and competitive prices and by making the shopping process easier with consistency in service. After the purchase is complete company should assess psychological response of the buyer to his purchase decision. Customer often undergo a degree of reflection about the purchase decision wondering whether he made the right choice. He comparing his expectations with his perceptions of what he has received from the purchase. These concerns arise from the concept known as cognitive dissonance – an uncomfortable feeling caused by consumer propensity to search for more information to reinforce his purchase decision. There are could be considered three possible outcomes of assessment of the value of purchase:

- Purchase didn't meet customer's expectation. The chances that customer returning and asking for a refund or exchange become very high. Also, this event can spur negative word-of-mouth advertising.

- Purchase matches customer's expectation. In this case seller probably won't hear negative feedback back from this customer.
- Purchase exceeds customer's expectation. Customer feels that he has received value from the purchase and that seller provided good service. This customer will likely be a repeat customer and encouraging other potential buyers.

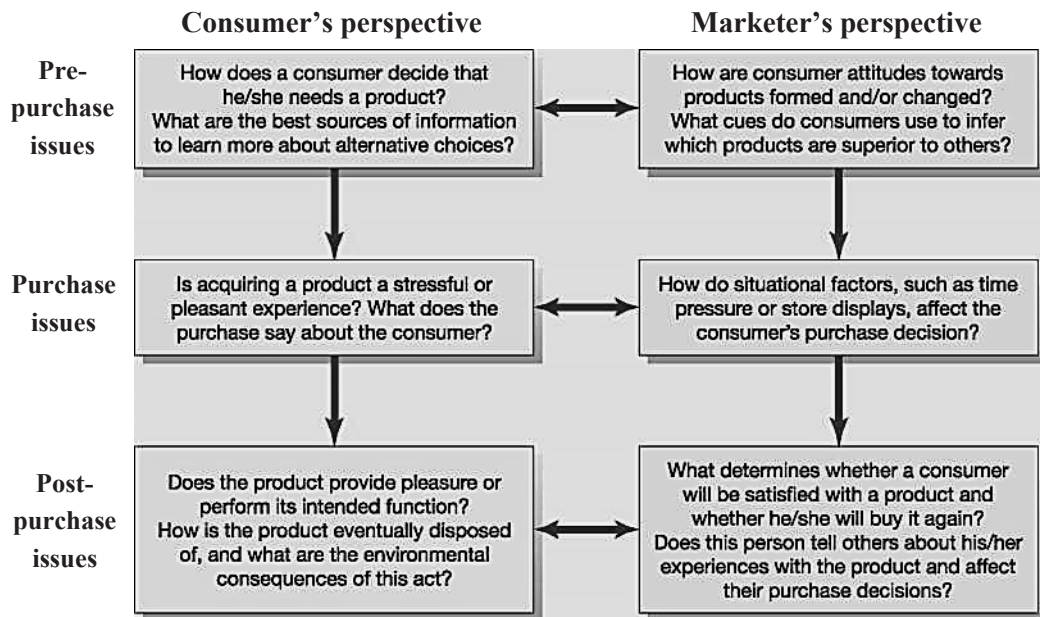
Analysis of consumer behavior demonstrates that satisfied customers can become unpaid ambassadors for the seller, so customer satisfaction should be on the top of strategic objectives of the company. By continually monitoring customer's satisfaction after the sale, company acquire ability to avoid negative word-of-mouth advertising.

To mitigate the risk and decrease negative impact of consumer dissatisfaction company could summarize the product's benefits before the purchase, provide phone numbers to encourage communication after the sale, offer liberalized return and refund policies. By developing post-purchase activities and services, company have the ability to reduce a customer's anxiety, build goodwill, and lay the groundwork for future sales. A post-purchase evaluation reduces any uncertainty or doubt within the customers by assuring them that seller makes sure they're happy and their needs have been met by their purchases. Post-purchase evaluation includes customer-satisfaction surveys, follow-up phone calls, sending e-mail follow-ups. These measures provide information to determine the root of the problem and develop effective solutions for the future (Kotler, Keller, 2015).

Conducted research of consumer decision-making process revealed some common issues that arise during each stage of the purchase. Consumer behavior refers to interaction between consumers and producers. Therefore, entire consumption process includes the issues that influence the consumer and the seller before, during and after a purchase.

Both parties of consumer decision-making process gather information from the market and addressing different issues during pre-purchase, purchase and post-purchase stages. What is important, however, is that they pursuing different objectives and following different economic interests. Customers wants to satisfy their need through consumption process, while companies try to affect consumer behavior and extract value from the market through selling products to satisfying customer's needs. In this context, consumer response may often be the ultimate test of whether or not a marketing strategy will succeed. Thus, knowledge about consumers help company to identify threats and opportunities that will affect consumer decision-making stimulate purchases.

Figure 4 Issues that are addressed during consumer decision-making process



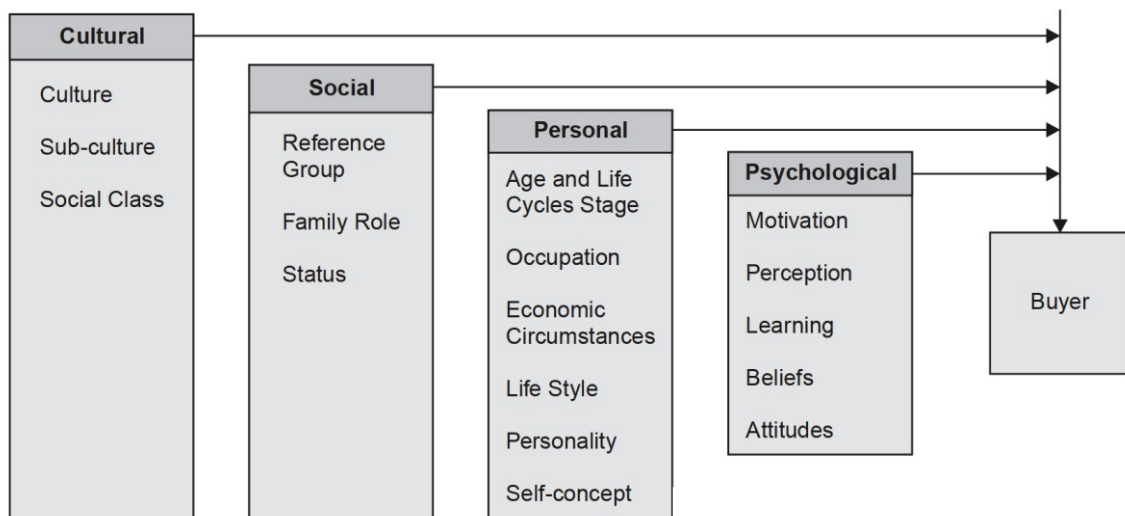
Source: Solomon et al., 2016.

Consumer behavior is affected by various factors influencing the purchases of the person such as social, cultural, personal and psychological stimuli. The factors that influence consumer behavior can be classified into internal factors and external environmental factors. External factors do not affect the decision process directly, but diffuse through the individual determinants to influence the decision process. The internal factors or individual determinants that effect consumer behavior are: motivation and involvement, attitudes, personality and self-concept, learning and memory, information processing. Group of external influences include following factors: cultural influences, social class influences, family influences etc. (Khan, 2007). Consumer behavior is affected both by social and internal factors. The ways in which people make their purchase decisions are shaped by social experience and circumstances within the context of their social and market environment.

Each person is born into a social and cultural setting – family, community, social class, religion – and develops many social connections. The characteristics of person's social setting affect how he or she behave in market environment. External influences focus on the various factors that impact consumers as they identify which needs to satisfy and which products to purchase to satisfy those needs. These forces could be divided into two major categories: advertising and other efforts of the company, and the various factors, which refers to consumer's culture and social environment. The marketing efforts of the company reflects

the concept of marketing mix that include the product being offered for sale, its price, the places it's offered for sale, and how company decide to promote its products and services. In spite of importance of advertising in modern marketplace culture remain one of the most significant external factors. Culture is a shared, learned, symbolic system of values, beliefs and attitudes that shapes and influences consumer behavior (Noel, 2009).

Figure 5 Factors that influence consumer decision-making



Source: Khan, 2007.

Cultural background establishes norms for a specific group of people and has a tremendous impact on many aspects of consumer behavior. Consumers have certain attitudes, and value certain objects because of the unique system of beliefs that define the group to which they belong. In addition to culture, religion can influence how we perceive and process market information. It provides individuals with a structured set of beliefs and values that guide their behavior and help them make choices. For example, certain religious groups, such as the Amish in the United States, do not believe in using modern technology.

The concept of social class implies that some people have more wealth and opportunity than others. Some consumers try to indicate which social class they belong consuming certain products and services. For example, they may engage in conspicuous consumption or may use products that indicate a certain status. Given the relatively high price of the iPhone, the average iPhone buyer would most likely belong to the middle social class.

Another important external factor is a reference group. It could be defined as a set of people with whom individual consumers compare themselves in developing their own

attitudes and behavior. Reference groups have a significant impact on consumption of products and services. They convey information to an individual about which products they should or should not be consuming. This is especially true for individuals who consider themselves to be very similar to their reference groups. For example, majority of students want to be viewed as trendy and stylish and for them the purchase of iPhone is very difficult to resist (Peter, Olson, 2010).

Table 2 Lifestyle and purchasing pattern of a social classes

Social Class	Lifestyle Orientation	Purchasing Tendencies
<i>Upper Class</i>	Good taste Individual expressions Interest in art and culture	Quality merchandise Expensive hobby and recreation Interest in art, books, travel
<i>Middle Class</i>	Respectability Conformity Social esteem	Items in fashion Related to self-presentation Good clothing and house items
<i>Working Class</i>	Fun-oriented Unsophisticated taste Focus on possession	Newest home appliances Sporting events Entertainment
<i>Lower Class</i>	Close family relationships No interest in entertainment Want immediate gratification	Enhancing self-esteem Pseudo symbols of prosperity Readily available products

Source: Mothersbaugh, Hawkins, Kleiser, 2019.

Such groups are prevalent in societies. These groups could be primary where interaction takes place frequently and, consists of family groups. These groups have a lot of interaction amongst themselves. Secondary groups are a collection of individuals where relationship is more formal and less personal. These could be political groups, work group and study groups. The consumer behavior of a group is influenced by other member of the group. An individual can be a member of various groups and can have varied influences by different members of groups in his consumption behavior (Khan, 2007).

Family is the most important of the primary group and is the strongest source of influence on consumer behavior. The family tradition and customs are learnt by children, and they often form they behavioral patterns from their family members. These days the

structure of the family is changing and people are going in more for nucleus families which consists of parent, and dependent children. The other type of family is the joint family where mother, father, grandparents and relatives also living together (Solomon et al., 2016).

These days the structure of the family is changing and people are going in more for nucleus families which consists of parent, and dependent children. The other type of family is the joint family where mother, father, grandparents and relatives also living together.

Each individual receives the information and evaluates the product in his own way. This is irrespective of the family, social class or cultural background. His own personality ultimately influences his decision. He has his own personal reasons for likes, dislikes, price, convenience or status. Some individuals may lay greater emphasis on price, others on quality and still others on status, convenience etc. (Schiffman, Wisenblit, 2018). The personal influences refer to the following factors: age and life cycle stage (student, married, full nest, empty nest, solitary survivor), occupation (working class, blue collar, white collar), economic circumstances (high income group, low income group, middle income group), internal determinant which influence consumption patterns, self-concept and many other factors.

Table 3 Consumer behavior on different life cycle stages

Life cycle stage		Consumption pattern
1	<i>Young single (Student)</i>	Outdoor goods, fashion clothing, entertainment and recreation services
2	<i>Young married</i>	Recreation and relaxation, home furnishings, home appliances, high purchase rate of durables
3	<i>Young married with child</i>	Baby food, clothing, and furniture, housing insurance, washer-dryers, toys for children
4	<i>Middle aged with children</i>	Children's lessons, large food purchases, higher priced furniture, auto and housing, restaurants
5	<i>With no children at home</i>	Luxury products, restaurants, condominiums, travel, recreation, gifts, contributions
6	<i>Older (married or single)</i>	Health care, home security, recreation geared to the retired, specialized housing, food products.
7	<i>Solitary survivor</i>	Money-saving products, frozen foods, rental house, time-saving appliances and food

Source: Khan, 2007.

Life cycle concept segments the persons and families on the basis of demographic variables. The stages at which consumers find themselves, affect the nature of the goods and services required, their wants and consumption patterns, as well as the volume of consumption on certain products. For example, newly married couples share new experiences and responsibilities, start spending on furnishing and household goods. While young married with child concentrate purchases on baby foods and clothing.

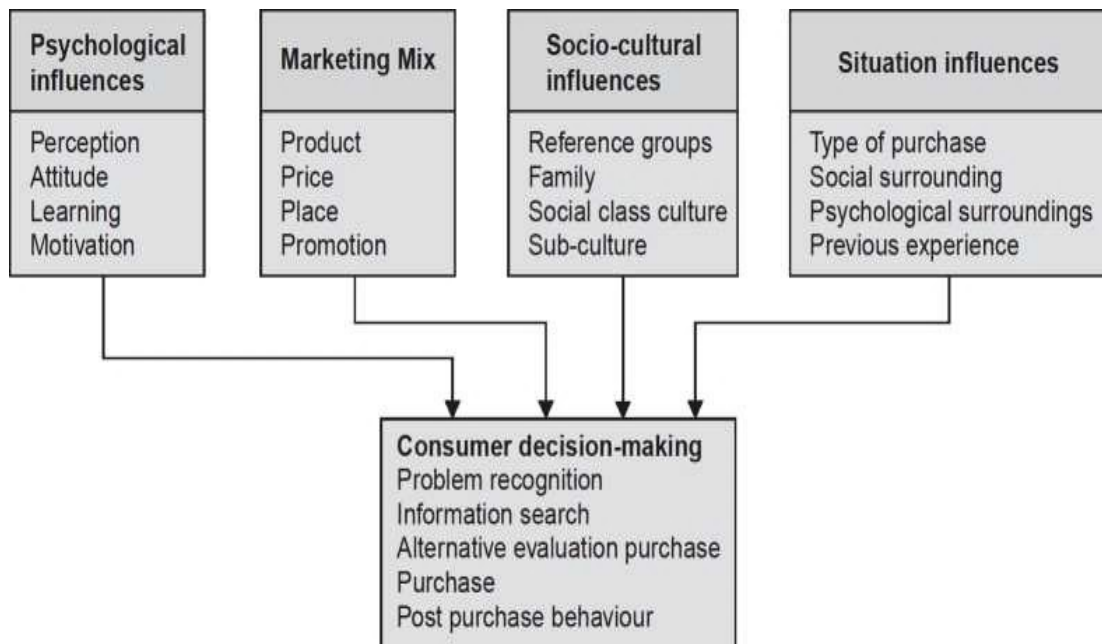
In addition to life cycle stage, self-concept become an important internal factor that influence decision making process. It describes how one perceives himself and his behavior in the market place. It can be divided into six types: actual self, ideal self, social self, ideal social self, expected self and situational self (Altman, 2006).

Self-concept is a social phenomenon. The way consumer dress, the products consumer use, the services consumer requires, depend on how consumer want to perceive himself. There is a relationship between the self-image of a person and the product one wants to buy. People like to use the products which match their personality. These include clothing, leisure products, personal care products. After matching the self-concept with the brand image, the individual tries to find products for his satisfaction. If he is satisfied, his self-concept gets reinforced. The interaction between the product and self-concept can be situation specific. In some situations, the self-concept can be enhanced or reinforced (Parsons, Maclaran, 2009).

Motivation, attitudes and perception all work together with the self-concept to influence consumers' decision making and purchases. Commonly these factors placed at the beginning of list of internal and external influences that demonstrate their relevance.

Perception is the most important psychological factor that affects consumer behavior. It is a process by which consumers select, organize and interpret stimuli to create a meaningful picture of the world around them. Perception of the stimuli is the critical activity that links the individual consumer to a group, situation and marketer influences. Different marketing information might generate feelings of excitement and perceptions of interest and personal relevance with the details of the contest. The resulting involvement could motivate consumers to maintain exposure and focus their attention on the marketing offer for magazine subscriptions that accompany the sweepstakes announcement. Pricing strategies most often incorporate factor of perception. Keeping prices high relative to competition over many years can create an image of distinctiveness or quality, whereas charging low prices for many years can create the perception of value for the money (Peter, Olson, 2010).

Figure 6 Role of psychological factors in consumer decision-making



Source: Solomon et al., 2016.

Motivation refers to the inner state of arousal that leads persons to behave the way they do. It occurs when a need is aroused within the consumer that they have to satisfy. If that need, is not satisfied then the consumer will undergo a certain amount of tension - the greater the need the more intense is the state of tension. This drives the consumer to engage in relevant activity to achieve their goal and satisfy the need (Noel, 2009).

Attitude as a general, lasting evaluation of product or service. It is important for marketing to understand how attitudes are formed and how they could be influenced since this could help to affect consumers behavior. Attitudes have three components: cognitive (what consumers think), affective (what consumers feel) and conative (what consumers do). Finally, such factors as memory and learning, manner in which knowledge about product is encoded, organized and stored has a direct impact on consumer decision making.

Combination of all above mentioned psychological factors could strongly influence consumer behavior and purchasing decision-making. Developing marketing strategy company should understand how to leverage the different factors that influence consumer buying behavior to effectively promote their product and maximize sales. The practical significance of this factors is that marketers could apply knowledge about internal forces that driving consumer behavior and building appropriate product association and image and if consumer's attitude towards a product is favorable, then it will have positive effect sales.

3.3 Microeconomic approach to analysis of consumer choice

Microeconomic model of consumer decision making based on utilitarian approach and Alfred Marshall's theory of consumption, which implies that consumer decisions are based on rational attitude and allocation of scarce resources among various purchase alternatives that maximize their utility. Since the emergence of utilitarianism its founders Jeremy Bentham and John Stuart Mill attempts to apply the logic of individual decision making to questions concerning morality and economic relations (Mankiw, 2017).

Utility is a measure of well-being, which describes level of happiness or satisfaction that a person receives from his activity and, according to utilitarians, is the ultimate objective of all public and private actions. Conventional microeconomic theory, which also called rational choice theory, implies that consumers seek to maximize their total utility with each unit of consumption. Total utility refers to total amount of satisfaction derived from the consumption of a single product or a combination of products (Varian, 2014).

Microeconomic consumer theory and demand theory suggest that consumer actions are driven toward utility maximization by attempting to acquire the most satisfaction possible in the most affordable way. In general, classical microeconomic theory show that most consumers want to get the highest possible level of utility per unit for the money they spend on goods and services in the market.

One of the key assumptions of the model of utilitarian consumer is rationality of decision-making process. This mean that consumers make optimal decisions. These choices produce the very best results for consumers taking into consideration resource constraints. Buyers make purchase decisions based on purposeful, thoughtful, self-interested economic calculations whereby each person wisely spends his limited income on consumption to get the most satisfaction for each dollar spent on purchase (Mankiw, 2017).

The golden rule of utility optimization is to maximize the buyer's expected utility per dollar spent. This yields the greatest benefit-cost ratio for customers. They always get the most for their money, which maximizes value or the optimum quantity plus quality per dollar spent. In addition, microeconomic theory of rational choice assumes, that consumers have perfect information that is costless to acquire. They are aware of all marketplace alternatives and their prices and are fully informed about utility of each item.

Utilitarian approach also implies that consumers are self-interested and sovereign. They are motivated by maximization of their own utility and are in control of their decision-

making process, personally responsible, and not subject to manipulation by outside forces. Needs and wants come only from within the buyer rather than from environmental forces such as other people, mass media, or marketing communications. Tastes and preferences, therefore, cannot be molded or manipulated by producers. Therefore, it follows that advertising, personal selling, and other marketing efforts considered as ineffective.

Customers is the ultimate users for any goods or services, and the producers aim is to satisfying their needs. However, the level of satisfaction differs from an individual to individual and their mental characteristics. The measurement of this utility and satisfaction has always been a topic of discussion (Ahlersten, 2008). Nowadays there are two common approaches to consumer utility analysis – cardinal and ordinal utility analysis.

Table 4 Two approaches to consumer utility analysis

	Comparison criteria	Cardinal approach	Ordinal approach
1	<i>Nature</i>	Satisfaction that person acquires after consuming any goods and services can be measurable and expressed in quantitative numbers	Satisfaction that person obtains after consuming various commodity cannot be measured in numbers, but can be arranged in order of preference
2	<i>Proponent of the approach</i>	Alfred Marshall	John Hicks
3	<i>Utility measurement</i>	Utility is measured on the basis of “utils”	Utility is ranked on the basis of satisfaction
4	<i>Practical application</i>	Less practical, sensible and representative	More practical, sensible and representative
5	<i>Features of utility analysis</i>	Quantitative analysis of total and marginal utility	Indifference curve, budget constraints analysis

Source: Table prepared by the researcher.

Many traditional economists hold the view that utility is measured quantitatively, like length, height or weigh. This concept is known as cardinal utility approach. Alfred Marshall, famous neoclassical economist, noted that utility can be measured cardinally and satisfaction derived by the consumers from the consumption of good or service can be measured numerically. But the idea of cardinal measurability of utility had been rejected by the later economists largely due to the subjective and abstract approach to utility measurement.

Because number of units of utility that one person may derive from a unit of a particular good may vary from subject to subject. Also, utility is measured in special units “utils” and its value is not constant (McKenzie et al., 2016).

There are many difficulties in measuring utility numerically, as the utility derived by the consumer from a good or service depends on a number of factors such as mood, interest, taste, preferences and much more. In view of serious deficiencies of cardinal approach, British economist John Hicks developed concept of ordinal measurability of utility based on preference and indifference between different combinations of goods people consume. According to his implications, it is rather unrealistic to assume that a consumer would be able to determine volume of utility derived from the consumption of good or service.

On the other hand, it may be quite reasonable to assume that he would be able to state whether he prefers one unit of some good to one unit of some other good, or, if he is indifferent between the two positions. Therefore, cardinal approach is less realistic, as quantitative measurement of utility is not possible. On the other end, the ordinal approach is more realistic as it relies on qualitative measurement. Concept of ordinal utility is based on indifference curve analysis while cardinal utility is based on marginal and total utility analysis. Cardinal utility is measured in terms of “utils” while the ordinal utility is measured in terms of ranking of preferences of products when compared to each other (Cowell, 2006).

Modern economists support the idea that utility being a psychological phenomenon that cannot be measured quantitatively. However, a person can express whether a good or service provides more, less or equal satisfaction when compared to one another.

Ordinal approach based on three assumptions: consumers have certain restrictions on how they can choose products (they have a budget); individual preferences determine how satisfied an individual will be with different combinations of goods or services; given preferences and restrictions, the individual maximizes utility of consumption (Varian, 2014).

Consumer choice theory based on ordinal approach uses the concepts of a budget constraint and indifference curve to determine consumer optimum. The budget constraint shows the various bundles of goods that the consumer can afford for a given income. In graphical analysis line, called the budget constraint, shows the consumption bundles that the consumer can afford. In other words, it demonstrates tradeoff between two goods that the consumer faces at certain market conditions. The slope of the budget constraint measures the rate at which the consumer can trade one good for the other. Also, the slope of the budget

constraint equals the relative price of the two goods. On the other hand, budget constraint represents only one piece of the ordinal utility analysis. It shows what combination of goods the consumer can afford given his income and the prices of the goods. The consumer's choices, however, depend not only on his budget constraint but also on his preferences regarding the two goods (Mankiw, 2014).

The consumer's preferences allow him to choose among different bundles of goods. The consumer's preferences are represented with indifference curves, which show the combinations of different goods that make the consumer equally satisfied. Ordinal approach to analysis of consumer preferences and visual representation of indifference curves based on five axioms, which reveals principles of rational purchasing behavior.

Table 5 Axioms of consumer choice

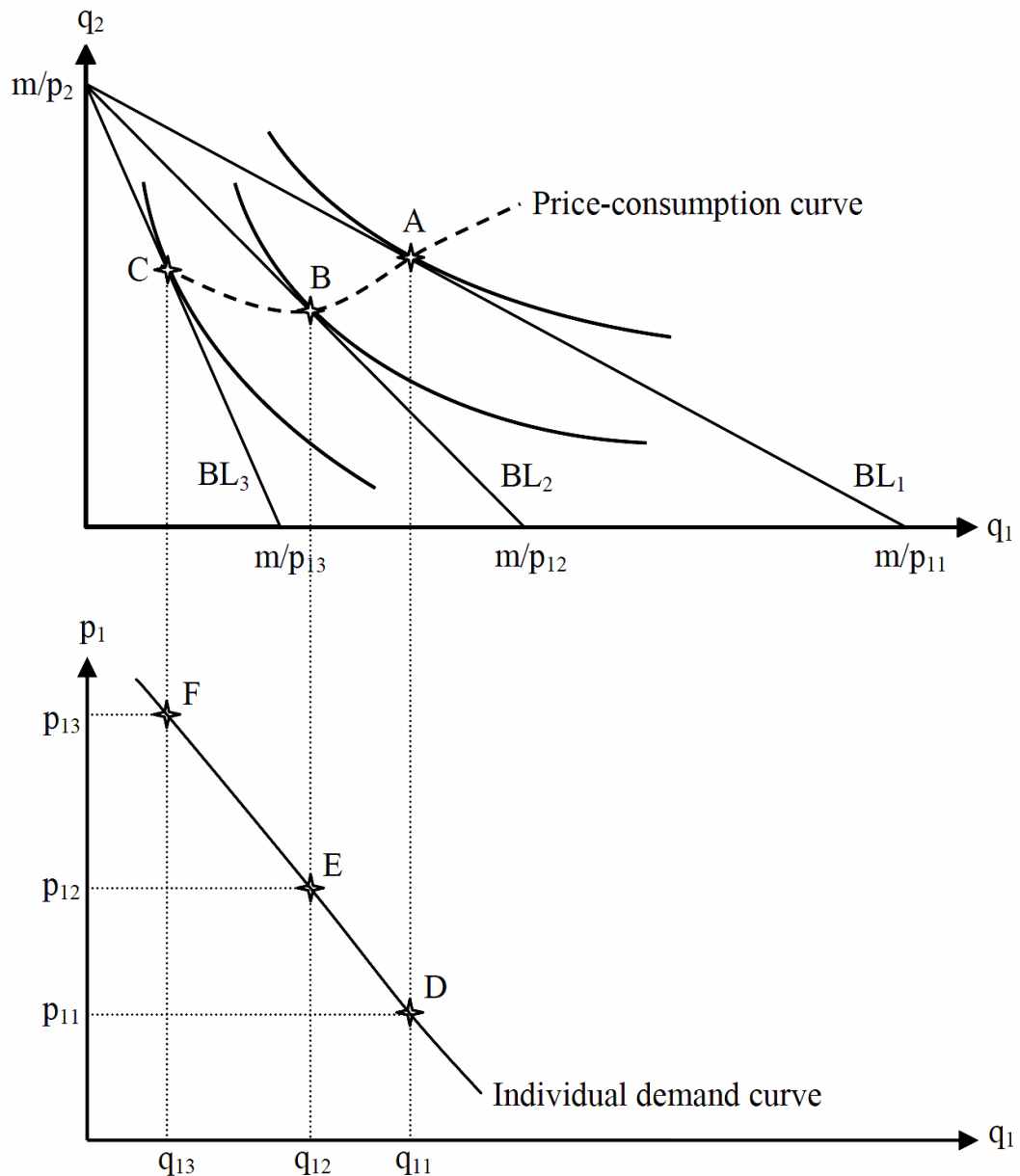
	<i>Title</i>	<i>Definition</i>
1	<i>Completeness</i>	Whether one person is indifferent to, or prefers, one set of options over another, he must always be able to make that choice. That is, consumer can always rank all conceivable bundles of goods as either better, worse or equal
2	<i>Transitivity</i>	Consumers are able to order their preferences in a logical way. That is, if person prefer A to B and B to C, he must prefer option A to option C
3	<i>Continuity</i>	There are no changes in person's preferences. That is, if person prefer point A along indifference curve to point B, points very close to A will also be preferred to B. This allows preference curves to be differentiated
4	<i>Monotonicity</i>	More the consumer gets of one or of both the goods, the higher would be his level of satisfaction. That is, individual always prefers more of a good to less
5	<i>Convexity</i>	Indifference curves are convex in nature because of the diminishing marginal rate of substitution. Convexity implies that the more of a good consumed, the more willing is consumer to give some of it up in exchange

Source: Table prepared by the researcher.

Because the consumer prefers more of a good, points on a higher indifference curve are preferred to points on a lower indifference curve. The slope at any point on an indifference curve equals the rate at which the consumer is willing to substitute one good for

the other. Consumer's budget line can change because of changes in prices or because of changes in income and preferences always remain constant. Therefore, individual demand curve could be derived from price-consumption curve that shows how a consumer's consumption change when price of one of the goods changes. It is plotted by connecting the points at which budget line touches the relevant maximum-utility indifference curve.

Figure 7 Derivation of demand curve from consumer decisions pattern



Source: Ahlersten, 2008.

Figure 7. illustrates the way in which the individual demand curve can be derived from the price consumption curve. Suppose a consumer has an income of m . If the price of the

product 1 is p_{11} per unit, the relevant budget constraint line will be BL_1 . The consumer is in equilibrium at point A where he buys q_{11} units of the product 1.

Assume the price of product 1 increase to p_{12} per unit. The budget constraint shifts to BL_2 . The consumer attains a new equilibrium point B purchasing q_{12} units of the product 1. As the price further raises, the budget constraint line shifts to the left and new successive points of equilibrium are attained where the consumer is in equilibrium at C and buys q_{13} units of product 1 when the price is p_{13} per unit respectively. With the above information, we could draw up the demand schedule of the consumer. If we plot the data contained the individual consumer's demand schedule, we get points like F , E and D . Then we can join these points with a continuous individual demand curve of the consumer that slopes downward from left to right just like usual demand curve. The market demand curve will consequently be the sum of the individual demand curves (Ahlersten, 2008).

This analysis of consumer choice shows that making his consumption choices, the consumer takes as given the relative price of the two goods and then chooses an optimum at which his marginal rate of substitution equals this relative price. The relative price is the rate at which the market is willing to trade one good for the other, whereas the marginal rate of substitution is the rate at which the consumer is willing to trade one good for the other. At the consumer's optimum, the consumer's valuation of the two goods (as measured by the marginal rate of substitution) equals the market's valuation (as measured by the relative price). As a result of this consumer optimization, market prices of different goods reflect the value that consumers place on those goods (Cowell, 2018).

Therefore, microeconomic approach to analysis of consumer choice represented an important model and potential source for guidance for customer decision-making process. The theory of consumer choice describes how person chooses between different goods and reveal implicit, psychological process that permits explicit quantitative analysis of market environment. Microeconomic consumer decision making analysis can be applied in many situations to explain why consumer demand changes, predict customer's purchasing patterns. Understanding how consumers operate makes it easier for company to predict which of their products will sell more and enables managers to develop effective marketing strategy to make optimum utilization of company's resources.

3.4 Behavioral foundations of consumer decision making process

Market evidence on individual consumption patterns of real-life customers demonstrate that assumption that people make only rational, self-interested choices did not correspond to reality. The main problem is that the microeconomic theory of consumer choice is normative and attempts to explain the way the rational consumer should behave. This feature is in sharp contrasts with the behavioral approach that is positive and try to analyze empirical data on consumption patterns of real-life customers.

Behavioral economics increases the explanatory power of economics by providing it with more realistic psychological foundations. It demonstrates that consumers are not mechanical robots, precisely comparing all alternatives for the very best choice. Microeconomic analysis stipulates that consumers are rational, self-interested, sovereign and they have perfect and costless information. At the core of behavioral economics is the conviction that increasing the realism of the psychological underpinnings of consumer decision-making generating theoretical insights, making better predictions of consumer behavior and suggesting better policy and managerial implications (Diamond, Vartiainen, 2007).

The weaknesses of assumption concerning consumer's rationality is explained by the concept of bounded rationality. People are only as rational as their limited resources, knowledge, and time will permit. Therefore, in the real and uncertain world, consumers make decisions under the constraints of limited cognitive (knowledge) and time (as well as financial) resources. Also, they often gain emotional utility that is hard to quantify.

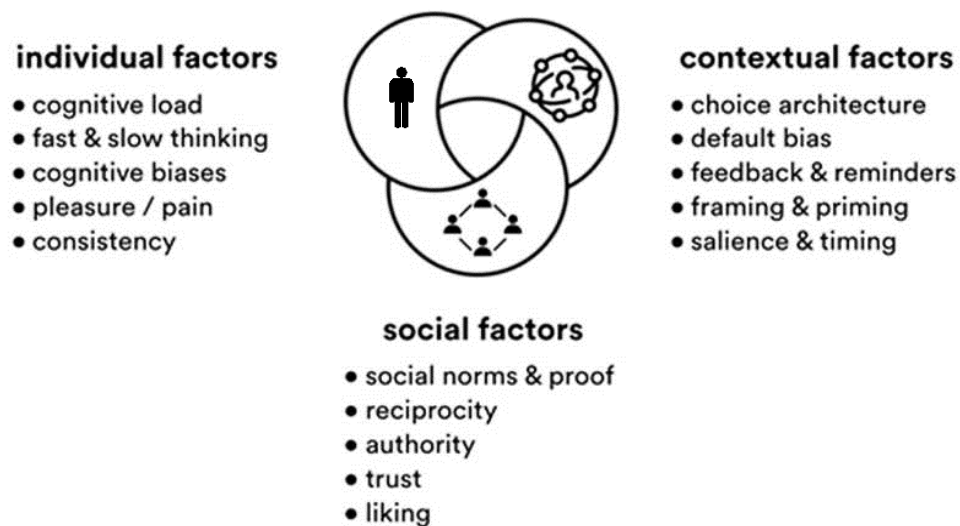
Behavioral economics adds to neoclassical microeconomic theory the notion that people are often short-sighted, emotional, impulsive, and far from rational, even acting against their own best interests. Hence, rather than being optimizers (utility maximization), consumers tend to choose satisfactory (rather than the optimal) alternatives as a satisfier of their wants and needs under the certain reference conditions and taken into consideration opportunity cost – the next best use of the consumer's time after (Camerer et al., 2015).

Almost every purchase maximizes the ratio of satisfaction only to some certain degree, because cost includes not just a product's price but also time, effort, and other scarce resources, plus opportunity costs. Benefits can be emotional and hedonic, not just utilitarian. For example, brand loyalty seems irrational due to possibly overlooking new and better alternatives. At the same time, it can be justified if the shopper feels that the expected benefits of seeking out a better brand aren't worth expending the necessary time and effort.

Brand switching is nonoptimal if the shopper has a preferred brand that satisfies his needs. Also, it is not rational to buy a product based on emotions – feelings that are not physically controllable, such as fear, anger, excitement. However, satisfying such emotional motives still yields satisfaction, so rationality should be broadly interpreted to include such emotional motives. After all, consumers can satisfy hedonic needs as well as practical utilitarian needs by consuming goods and services (Thaler, 1999).

Various anomalies of consumer decision-making process launched the behavioral study of different social, cognitive and psychological factors that affect consumer choice.

Figure 8 Behavioral factors that impact consumer decision-making process



Source: Altman, 2006.

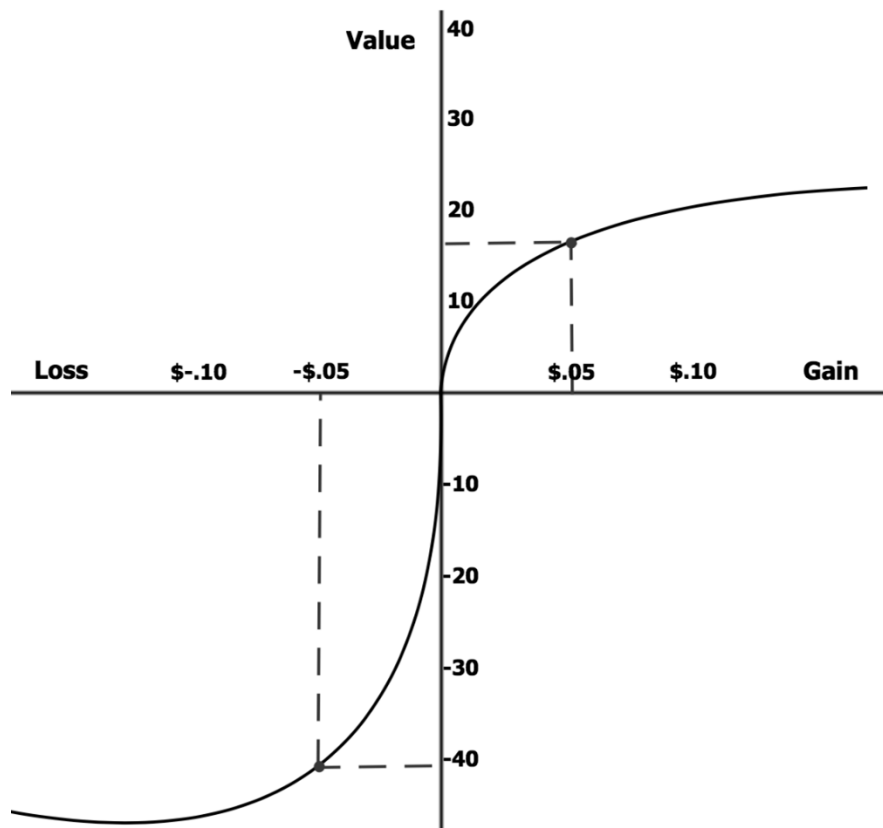
Most influential contributions to behavioral theory of consumer choice were developed by Amos Tversky and Daniel Kahneman. Their 1979 paper “Prospect theory: Decision making under risk” proposed revolutionary theory, based on psychophysical principles, to explain the violations of rational choice principle and cognitive biases that shape consumer decisions. The field of behavioral decision research typically refers to individual’s judgment and choices. Choice deals with the processes people use to select among actions, taking account of any relevant judgments that they may have made. Nevertheless, every judgment is based on previous information and consumer experience. To make a rational decision, a consumer requires complete information on price, competitive strengths and current market conditions. But in real markets consumers always lacks complete information due to information asymmetry and weak market efficiency.

Also, information acquisition can be costly in terms of time, money, and effort. Consequently, an information search is usually highly selective (Camerer et al., 2004).

Assumption concerning consumer's self-interest also appears more than doubtful. In real life consumers often demonstrate altruism – compassionate caring for other persons that focusing on maximizing others' welfare, usually at the expense of one's own concerns. Altruistic behavior is bound by what is perceived as right, proper, moral, or appropriate. Altruism helps to sell environmentally friendly products or handicrafts that promote sustainability at higher prices even though alternatives might offer a better value.

Another cognitive bias that strongly affects consumer decision-making is loss-aversion. Loss-aversion is the disparity between the strong aversion to losses relative to a reference point and the weaker desire for gains of equivalent magnitude. It shows that people react differently to positive and negative changes of their status-quo. More specifically, losses are twice as powerful compared to equivalent gains. It can lead consumer to fearing loss, even when that fear isn't justified which is commonly used in marketing areas.

Figure 9 Effect of loss-aversion in consumer value function



Source: Diamond, Vartiainen, 2007.

Companies and organizations often use loss-aversion to their advantage. The information these organizations provide to the public can play into consumer's biases and persuade them to make a particular decision. Practical implication of loss-aversion is that people during the sales periods tend to purchase several units of the product and make snap decisions because they don't want to feel like they've lost good deal (Altman, 2006).

Alternative concept that attempts to explain behavioral patterns of consumers is mental accounting. This concept associated with the studies of Richard Thaler (Thaler, 1999). He proved that people treat money differently, depending on factors such as the money's origin and intended use, rather than thinking of it in terms of perfect fungibility. According to conventional consumer choice theory money are fungible that is absolutely interchangeable and has no label. Under the laws of mental accounting people demonstrate violation of fungibility and treat monetary assets, which refers to separate mental accounts differently. In doing so, they make decisions on each mental account separately.

Mental accounting attempts to describe the process whereby people budget, categorize and evaluate economic outcomes using different mental accounts for various expense categories (housing, gas money, clothing, food, gadgets). Doing so they try to put into practice self-control strategy and facilitate savings. However, like many other cognitive processes, it can create biases and systematic departures from rational, value-maximizing behavior. Mental accounting provides a framework that explain consumer behavior, and describe when consumers might violate standard economic principles (Camerer et al., 2004). In mental accounting there are two types of utility derived from the purchase: acquisition utility and transaction utility. Acquisition utility is a measure of the value of the good obtained relative to its price, similar to the economic concept of consumer surplus. Transaction utility measures the perceived value of the "deal." It is defined as the difference between the amount paid and the "reference price" for the good, that is, the regular price that the consumer expects to pay for this product (Thaler, 1999).

The addition of transaction utility to the purchase calculus leads to important managerial implications. Some goods are purchased primarily because they are especially good deals. Sellers make use of this feature of consumer behavior by emphasizing the savings relative to the regular retail price, which serves as the suggested reference price. In such a way mental accounting is useful for marketers, in particular, as it makes useful predictions for how consumers will respond to different ways of presenting losses and gains.

People respond more positively to incentives and costs when gains are segregated, losses are integrated, marketers segregate net losses and integrate net gains. Automotive dealers, for example, benefit from these principles when they bundle optional features into a single price but segregate each feature included in the bundle (heated seats, heated steering wheel, mirror defrosters etc.). The same issue arises during car trade-in service. When the cost of the new car is large and the value of the used vehicle to be traded in is low, it is better to charge consumers a slightly higher price for the new car and return that money to them as a higher value on their trade-in (Altman, 2006).

Another behavioral concept, which extensively used in marketing is framing effect that represents cognitive bias where people decide on options based on whether the options are presented with positive or negative context (as loss or as gain). The concept helps to develop an understanding of formation of purchase decision that are framed to encourage a response beneficial to the seller. In marketing response rates highly depends on the framing of product features and statistics, especially in advertising. Every marketing tool refers to market communication and information transfer directed to affect consumer behavior. In this context, framing effect predicts that different behaviors can come out of the same information depending on how it is presented.

Practice shows that the way a decision is framed will not alter choices if the decision maker is using a comprehensive, wealth-based analysis. But framing does affect choices in the real world because consumers make decisions piecemeal, influenced by the context of the choice. Consumers always lacks perfect information and often vulnerable to manipulation. The framing effect is greater in older adults than in younger adults because they have fewer cognitive resources available to them and are more likely to default to less cognitively demanding strategies when faced with a decision (Camerer et al., 2004).

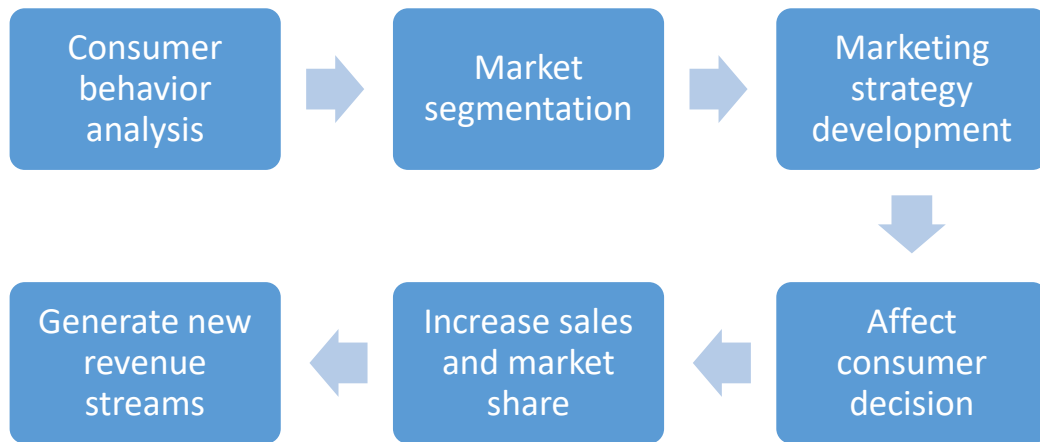
Marketing campaign always take into account the attitudes, needs and behavioral patterns of those to whom the campaign is directed. Commercial benefits of successful marketing companies is derived from careful framing and cognitive biasing techniques which use images and language in precise ways. The consumer is moved away from rational decision-making into an irrational area where decision is made from a consciousness that has been manipulated through provision of appropriate information. Therefore, imperfection of information and variety of cognitive biases provides marketers with an opportunity to supply customers with favorable product data and influence their purchase decisions.

3.5 Role of consumer behavior in marketing strategy development

Marketing strategy refers to company's comprehensive plan for reaching prospective consumers and turning them into customers of the products or services the business provides. A marketing strategy affects company's value proposition, key brand messaging and based on data on target customer's behavior. The aim of marketing is to know and understand the customer so well the product or service fits him and stimulate sales. Therefore, well developed marketing strategy should be fundamentally rooted in a company's value proposition, which summarizes the competitive advantages of the seller in the modern marketplace. By studying the behavior of a particular buyer, a company is able to investigate what marketing tools would best suit this market (Bakator et al., 2016).

Behavior is critical for marketing strategy because only through behavior can sales be made and profits earned. Although many marketing strategies are designed to influence consumers' affect and cognition, these strategies must ultimately result in consumer behavior to have value for the company. Thus, it is critical for marketers to analyze, understand, and influence consumer behavior. This can be done in many ways, including offering superior quality, lower prices, greater convenience, availability and better service.

Figure 10 Influence of consumer behavior on marketing decisions



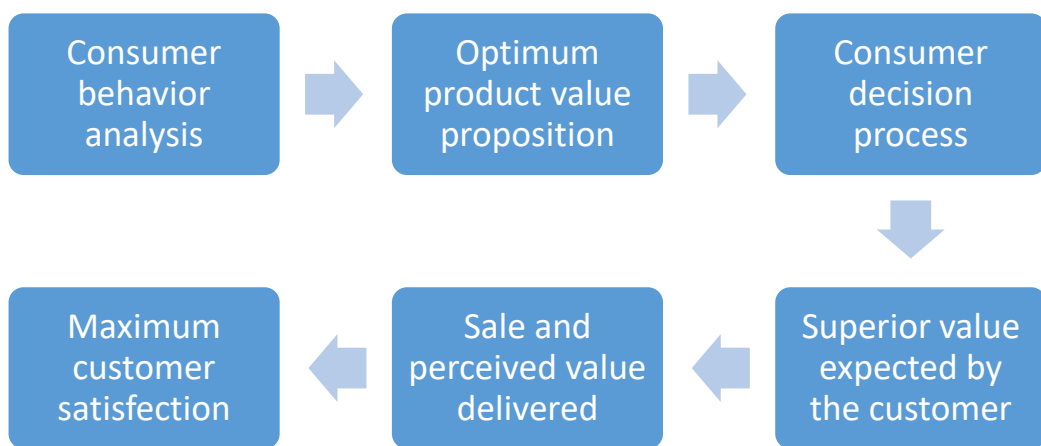
Source: Figure prepared by the researcher.

All marketing strategies are based on explicit or implicit beliefs about consumer behavior. Decisions based on explicit assumptions and on sound theory and research are more likely to be successful than are decisions based solely on managerial intuition. Therefore, knowledge of consumer behavior can be an important competitive advantage

for each company as it can greatly reduce the risks of making short-sighted decisions and market failures in product promotion (Peter, Olson, 2010).

To survive in a competitive environment, company must provide its target customers more value than is provided to them by its competitors. Customer value is the difference between all the benefits derived from a total product and all customer expenses of acquiring those benefits. Providing superior customer value requires the organization to do a better job of anticipating and reacting to customer needs (Mothersbaugh, Hawkins, Kleiser, 2019).

Figure 11 Impact of consumer behavior analysis on customer satisfaction



Source: Figure prepared by the researcher.

Consumers' reactions to the marketing strategy determine the company's success and become an essence of effective marketing strategy. Therefore, the key element that brings together consumer behavior and marketing efforts is customer value proposition. It describes a promise of potential value that company delivers to its customers and stimulates customer engagement. From the company side, this term focuses on creating an extra value, which is linked to product as part of the unique selling propositions. From the customer's perspective, the term focuses on the extra value that a product represents, as a result of which the customer's needs are satisfied and the customer making a purchase (Bourlakis et al., 2008).

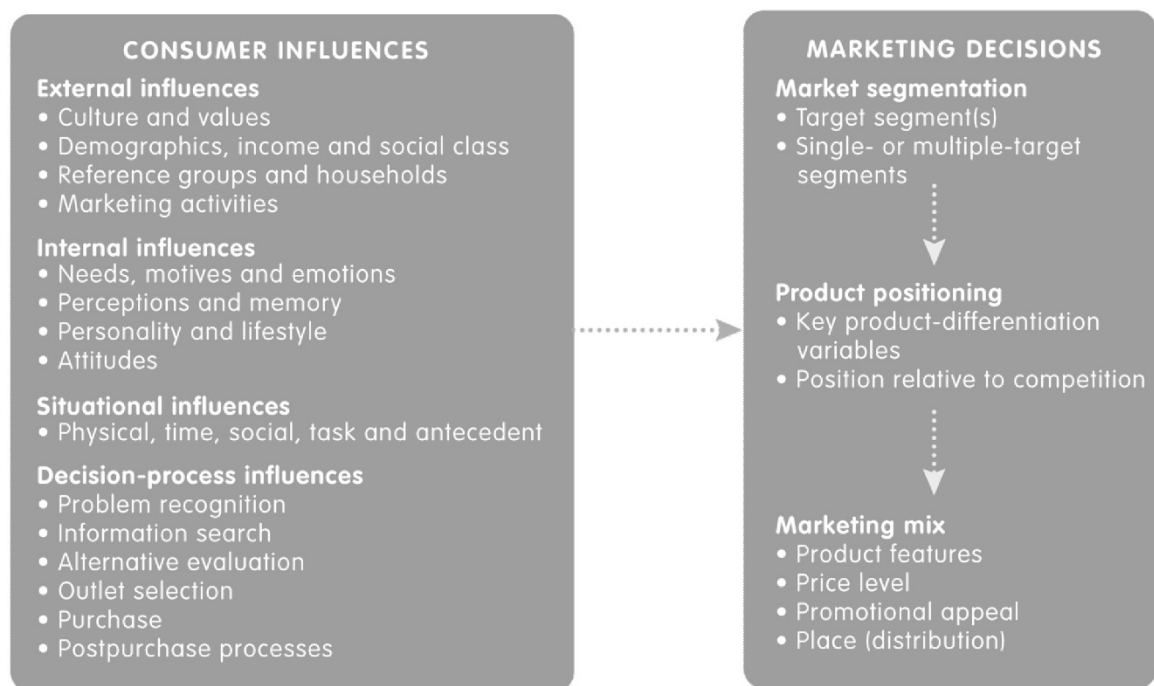
By placing the customer at the center of marketing strategy, added value is created. There are different categories that a customer considers to be important and that lead to the customer satisfaction: functional value (product has problem-solving ability, is easier to use and is more comprehensive than other products); emotional value (product is pleasant or attractive to the customer); economic value (product offers a financial advantage, promotes

economy of resources); symbolic value, when customer attaches value to the status that the product gives and derived from a brand value (Wood, Solomon, 2009).

In order to create a good customer value proposition, companies need to obtain a comprehensive customer insight. Market research and trend watching, customer panels and reviews enable companies quickly obtain information about their customers' needs and expectations. Development of the marketing strategy begins with an analysis of the market environment and consumer behavior patterns. On the basis of the consumer analysis undertaken, the company identifies groups of individuals and households with similar needs. Nowadays, market research refer to systematic collection, analyzing and distributing of marketing data that serves as the strong foundation of all areas of marketing activity: from strategic planning to undertaking campaign (Mothersbaugh, Hawkins, Kleiser, 2019).

Analysis of consumer behavior allow company: determine whether its've been able to satisfy customer needs and whether any changes should be made to the product; formulate a valuable and effective marketing plan; identify newly emerging trends in competitive environments and alter marketing mix to fit them; develop a long-run marketing strategy in order to deliver marketing messages to the consumers multiple times; helps in the development of loyalty programs targeted at current customers (Lake, 2009).

Figure 12 Role of consumer behavior metrics in strategic marketing planning



Source: Peter and Olson, 2010.

Comprehensive analysis of consumer environments allows company to determine factors that currently influencing purchasing decision-making process and what changes are occurring. Based on this research and analysis, a marketing strategy is developed that involves setting objectives, specifying an appropriate target market, and developing a marketing mix to influence it (Kotler, Keller, 2015). After the target market has been selected based on careful analysis of key differences in groups of consumers, marketing strategies involve implementation of appropriate marketing activities in target market's environment to influence consumer decision making using ultimate value proposition.

Figure 13 Marketing strategy in the context of 7Ps marketing mix



Source: Noel, 2009.

Commonly marketing strategy is formulated in terms of extended marketing mix, which include: product features, price, place, promotion, people (targeted customers), processes and physical evidence. Application of the marketing mix concept provide controllable variables or toolkit for marketers which can be used to influence consumers through advertising, sales force, public relations and packaging. Therefore, conducted research of theoretical background of the study demonstrated strong interrelation between consumer behavior insights and development of effective marketing strategy. In modern competitive environment company can succeed only if consumers see a need that its product can solve and become satisfied with the purchase. In the following part of the study author present results of qualitative research of consumer behavior in e-tailing which will be used to develop managerial implications concerning effective marketing strategy.

4 Practical Part

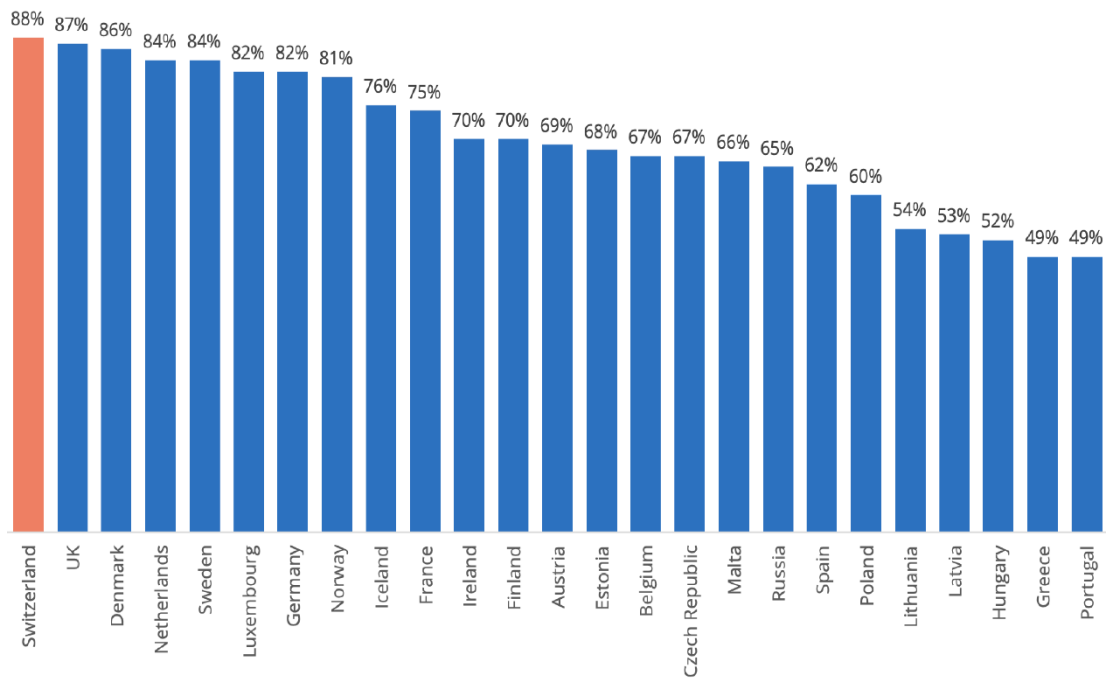
4.1 Subject and purpose of qualitative research

Market research of consumer behavior is a key starting point for development of the marketing strategy and important precondition for creation of good customer value proposition. It helps in consumer profiling, forecasting the customer's wants, and designing effective marketing strategies. Market research provide comprehensive customer insight and deep understanding of consumer behavior patterns. Moreover, results of the market research create a basis for effective marketing decisions that generate new revenue streams, increase customer retention and overall business profitability.

Growing number of internet users, digital transformations of global economy driven by information technology and high-speed data connection rapidly increased number of consumers that prefer online-shopping. This has, in turn, led to rapid growth of electronic commerce and e-tailing. E-commerce is the process by which buyers and sellers conduct exchanges of information, money, and merchandise by electronic means, primarily on the internet. Electronic commerce has many advantages for marketers, since large amounts of product information and large assortments of products can be transmitted efficiently to targeted customers. E-commerce widely use social media, digital content, search engines, and email campaigns to promote and enhance images of product, attract visitors and facilitate purchases online (Nielsen, 2020). For example, nowadays Instagram become an appropriate platform for e-commerce businesses because it enables to post sharp product photography and refer potential customers directly to purchase web-page.

Comprehensive product information and improved service attracts clients and simultaneously changed their behavioral patterns. Consumers can collect information about products on the web-pages from manufacturers, dealers, and rating services. They can go through comparison shopping using price aggregators. The Internet gives consumers ultimate access to information. Modern customers expect to find information about a product or brand of interest on a company's web-site and consider Internet as a most valuable source of market information (Jongen, 2018). Therefore, online shopping has increasingly replaced traditional retail, as a large share of consumers adopted it on a global scale. This trend could be observed in each country with developed economy that characterized by a sufficiently high income level and broad Internet access.

Figure 14 Share of consumers that using the online-shopping in 2019



Source: Lone, European E-commerce Report, 2019.

During last decade number of consumers that using online-shopping continues to grow rapidly, and more than 1.5 billion people purchase online around the world in 2019. Highest share of online-shoppers observed in Switzerland, United Kingdom, Denmark and Netherlands (from 88% to 84%). In Czech Republic 67% of customers use online-shopping in 2019. The lowest share of online-shoppers is in Ukraine (22%).

Rapid penetration of the Internet in modern marketplace increase number of consumers that using electronic commerce to shop for products and services. People intention to purchase online is mostly determined by the attitudes to e-commerce which explained by perceived usefulness and attractiveness of online-shopping (Haugtvedt, 2005). At the same time, company's management have realized that the consumer behavior transformation toward online-shopping is unavoidable trend and change their marketing strategy. In our opinion, this is a major reason for rapid development of e-tailing in consumer goods industry.

Electronic retailing or e-tailing is the sale of consumer goods through the internet channels. E-tailing requires companies to establish special business model to capture Internet sales, which include building out distribution channels, web-pages and product shipping centers that are critical to electronic retailing as they create avenues that move the product to the customer. E-tailing engaging attractive websites, effective online marketing strategy,

efficient distribution of products and customer data analytics. There are many reasons for such a rapid developing of e-tailing, which mainly due to the benefits that it provides.

Table 6 Benefits and drawbacks of electronic retailing

	Parameter	Benefits	Drawbacks
1	<i>Product</i>	<ul style="list-style-type: none"> • Increased product and brand selection opportunities • Increased product and brand availability in the market 	<ul style="list-style-type: none"> • Uncertainty about quality of some products • Inability to experience product before purchase
2	<i>Price</i>	<ul style="list-style-type: none"> • Increased opportunity to get lower prices for product • Extensive and relevant price information concerning different products and brands • Wider opportunities for data gathering and product price comparison during the process of shopping 	<ul style="list-style-type: none"> • Shipping costs and costs of returning unacceptable merchandise may increase price of the product • Credit card and personal information perceived to be at risk of disclosure • Difficult to pay with cash or check for product
3	<i>Promotion</i>	<ul style="list-style-type: none"> • Increased information about products and brands from independent agencies • Direct communication with seller through website 	<ul style="list-style-type: none"> • Information overload from too much available data or unwanted online ads • Time and effort costs to access information
4	<i>Distribution</i>	<ul style="list-style-type: none"> • Increased dealer selection • Great convenience of remote online-shopping from home or office 	<ul style="list-style-type: none"> • Time cost in waiting for delivery of the product • Problem with returning of unacceptable products

Source: Table prepared by the researcher.

E-tailing offers different kind of convenience to the consumer. First of all, they do not need go out looking for product information as the internet can help them to search from online and it also helps to evaluate different alternatives to get the lowest price for purchase. Furthermore, the online shopping can enhance consumer decision-making process to satisfy his needs (Close, 2012). Through the different search engines, consumers save time to access to the consumption related information, which include images, sound, and very detailed text description to help consumer learning and choosing the most suitable product.

In contrast to traditional marketplace, where marketers can put information and products into consumer environments, electronic commerce often requires consumers to seek out sellers using search engine and exploring particular websites. Online-shopping require considerably less assistance and reduce the role of salesperson. Automated sales and checkout cut down seller expenses. In addition, websites cost less than physical stores to open, staff, and maintain. Companies can deliver products faster and reach a larger customer audience online than with traditional physical locations. E-tailing allows companies to close unprofitable stores and maintain only profitable entities.

Modern market evidence demonstrates that rapid development of electronic retailing prompted substantial changes in consumer behavior and current competitive environment. Therefore, the purpose of our qualitative research is providing valuable insight into the feelings, attitudes and preferences of modern consumers that prefer online-shopping. Data obtained during qualitative research will provide understanding of behavioral patterns of consumers and allow us to arrive to important managerial implications concerning effective marketing strategy in e-tailing that improve targeting, marketing campaign, and enable company to develop value propositions and reach customer satisfaction.

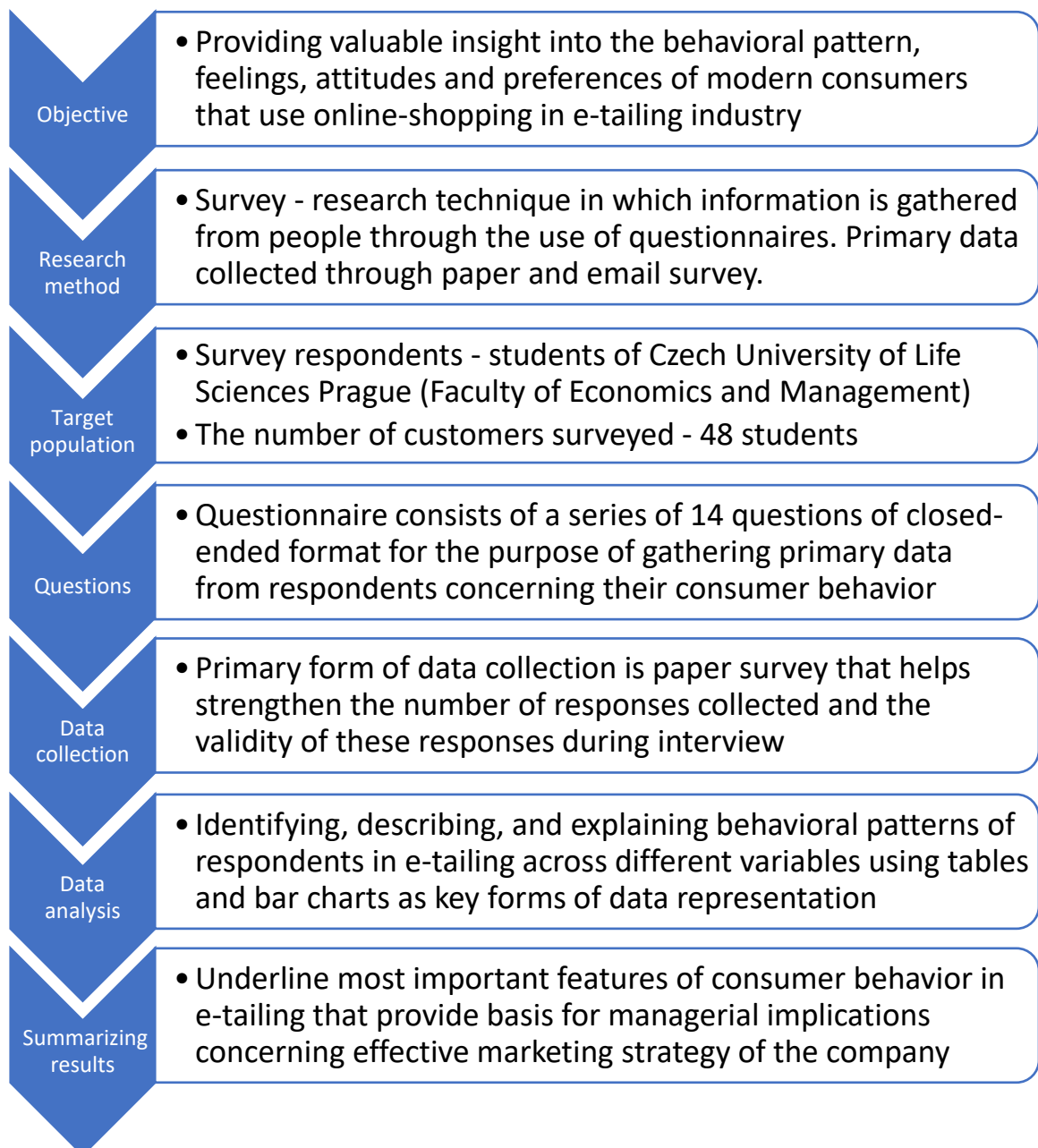
4.2 Research design

Survey had been chosen as a commonly-used method of qualitative market research to collect required data concerning consumer behavior. It involves collecting original data about the preferences, buying habits, opinions and attitudes of modern customers that use online-shopping. My choice of research method stemmed from advantages of survey: surveys are a cost-effective, data can be collected from a large number of respondents, questionnaires can be administered in-person or remotely via email. Design of the survey define: objective, method, target population, number and type of questions, approaches to data collection, data analysis and summarizing results of research (figure 15).

I use multi-mode survey that based on two data collection modes (in-person paper survey and email survey) in order to increase survey response (Groves, 2009). Participants are given the option of choosing the mode that they prefer, rather than this being determined by researcher. Core advantages of email survey - low cost and respondent convenience, as they can respond on their own schedule. In-person survey using printed questionnaire provides highest response rates and was better suited to collecting information and solve any

problems, as interviewer can immediately address any concerns participant has about the survey and answering questions (Gideon, 2012). My experience proved, that in-person survey provides direct contact with consumers, better suited to topics that was sensitive and emotionally charged, and allows me truly understand consumers' motivations.

Figure 15 Design of the survey



Source: Figure prepared by the researcher.

Results of research were obtained in survey conducted among the students of Czech University of Life Sciences Prague, Faculty of Economics and Management. The survey received responses from 48 students.

The survey was based on a questionnaire developed by the researcher. Questionnaire consists of a series of 14 questions of closed-ended format for the purpose of gathering primary data from respondents concerning their consumer behavior. Structure of questionnaire was designed to provide information concerning preferences, buying habits, opinions and attitudes of customers that use online-shopping. Questionnaire were given to respondents in printed paper form. The survey started on November 2019 and continued till the beginning of 2020 when last respondents finally send their answers via email.

Questionnaire include 14 questions of multiple choice closed-ended format that limit respondents' answers to the survey. There are two types of questions. First type refers to multiple choice questions with a pre-determined set of answers. Second type refers to questions with dichotomous answers, such as Agree/Disagree with ranking scale response.

This type of questions use Likert scale that commonly involved in research that employs questionnaires (Kothari, 2012). This scale includes ranking response using five options: Definitely agree, Somewhat agree, Neither agree nor disagree, Somewhat disagree, Definitely disagree. I prefer closed-ended questions because of the ease of counting of each response from participants of the survey.

Questionnaire and the procedure that was used to administer them were pretested to identify any problems with how questions are asked, whether they are understood by the students similarly to other respondents who will participate in the survey, and whether response options in close-ended questions are clear and adequate.

Developing questionnaire, I use experience obtained during participant observation, because as the student I develop an understanding of a group of potential respondents by taking part in the everyday routines studying at the University of Life Sciences Prague.

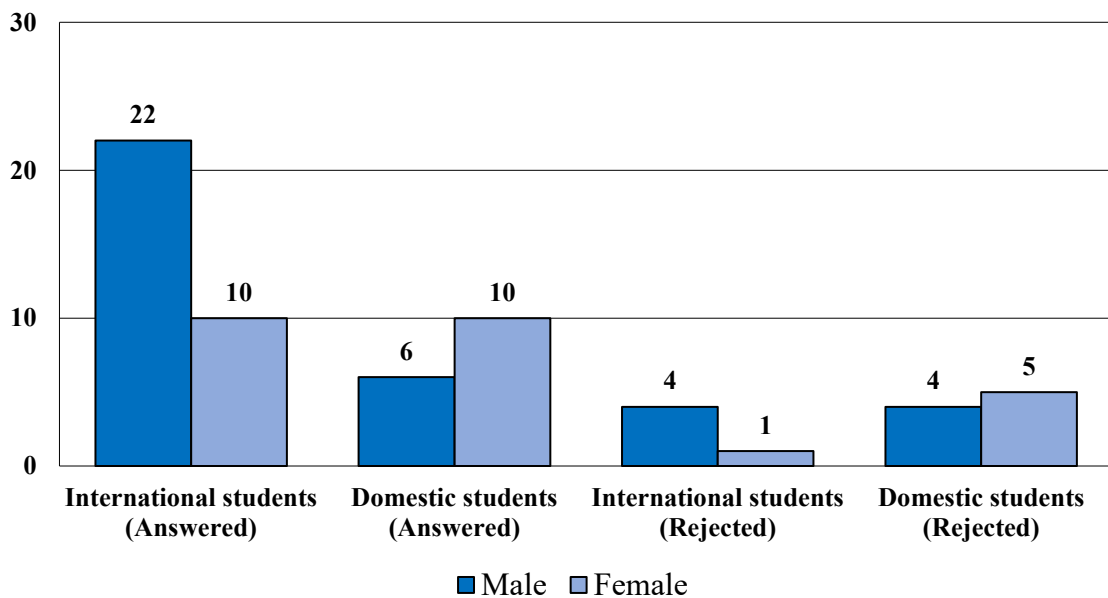
Primary forms of data collection were in-person survey and email survey that helps strengthen the number of responses collected and the validity of these responses. During in-person survey students were asked to answer closed-ended questions through in-person interview or send their personal answers using email.

Data analysis were geared toward identifying, describing, and explaining behavioral patterns of respondents in e-tailing across different variables using tables and bar charts as key forms of data representation. Results of analysis allows to underline most important features of consumer behavior in e-tailing that provide basis for managerial implications concerning effective marketing strategy of the company.

4.3 Analysis of survey data

Analysis of the data provided by the survey started from response rate. A survey's response rate is the result of dividing the number of people who were interviewed by the total number of people in the sample who were eligible to participate and should have been interviewed. During the survey 62 students were asked to answer questionnaire including 37 international students and 25 domestic students of University of Life Sciences Prague. After all, international and domestic students in the number of 48 persons agreed to participate survey and answer all the questions. Therefore, total response rate of the survey is 77,4% that could be considered as good result.

Figure 16 Response rate in conducted survey

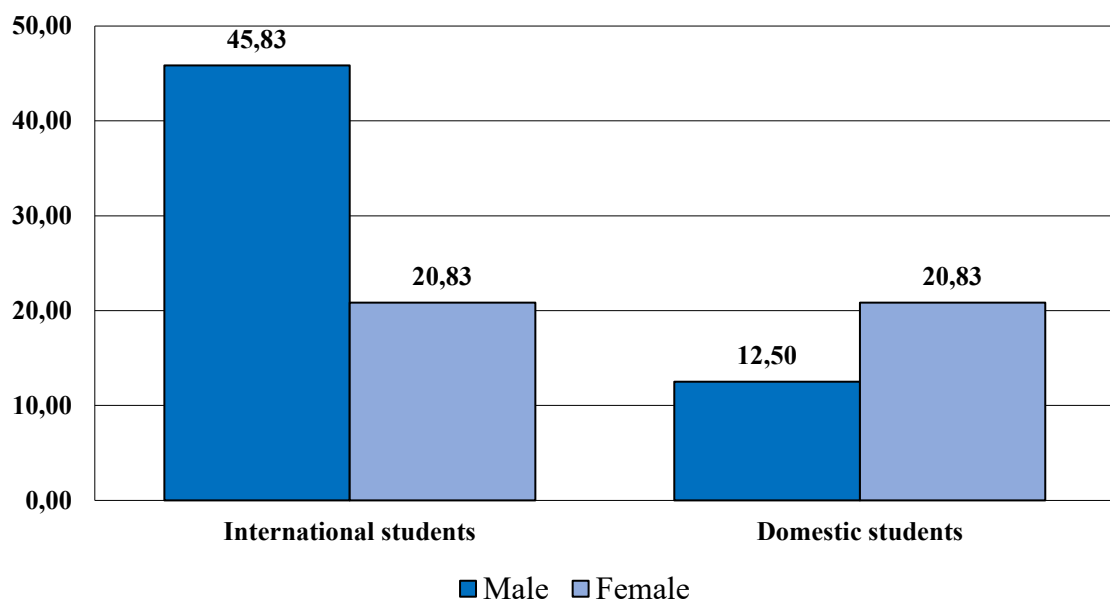


Source: Figure prepared by the researcher at the basis of survey data.

Survey response rate become an important indicator of survey quality. Low response rate can give rise to sampling bias. If the nonresponse is unequal among the participants regarding exposure and/or outcome. Such bias is known as nonresponse bias. Typical response rates for common survey types is 30-40%. Therefore, response rate of 77,4% could be considered as very good and provide more accurate measurements. It is interesting, that significantly more domestic students refused to participate in survey. Besides, among them number of females being lower.

Process of consumer decision-making is one of the most complex mechanisms in people's cognitive activity. Gender is the major factor out of all other factors that strongly affects consumer purchasing behavior. When gender differs, the perception of consuming the product is different. Men and women tend to have different choices during online-shopping because of the difference in their socialization (Ahas et al., 2016). Commonly, females demonstrate long term consideration, strong influence of advertisements, post purchase experience and past regrets related to the purchase. In conducted qualitative research, I attempt to examine how differences in gender roles, activities, needs and opportunities affect male and female consumer behavior in online-shopping in a given context.

Figure 17 Gender structure of survey respondents, %

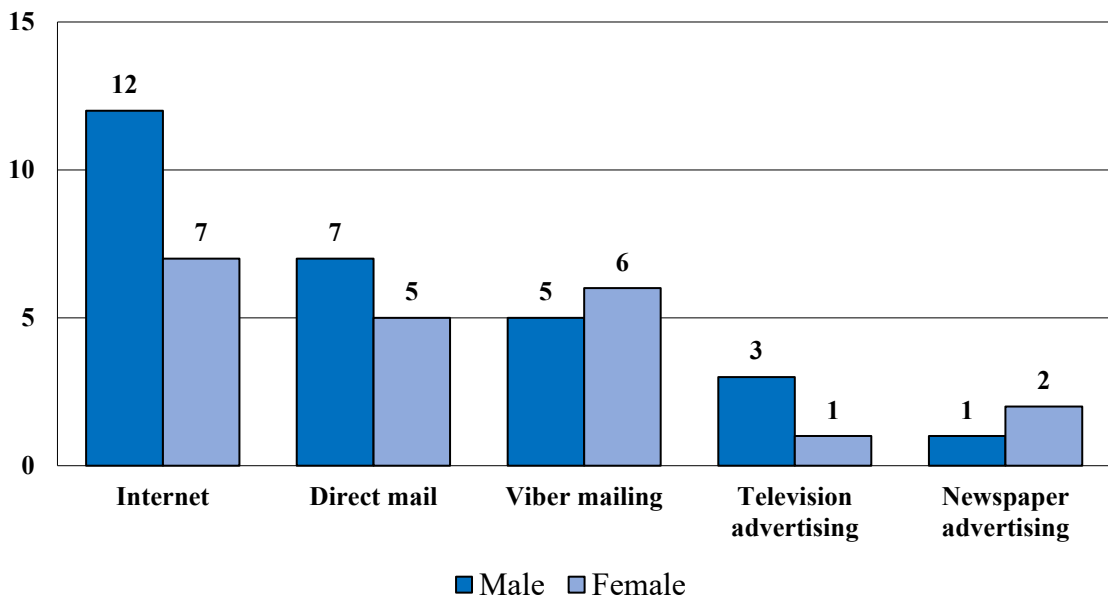


Source: Figure prepared by the researcher at the basis of survey data.

To achieve gender equality and be sure that the interests, needs and priorities of both women and men are taken into consideration, I try to encourage participation of both male and female in the survey. It enables to avoid gender bias and turn gender analysis into important part of qualitative research of online-shopping behavior. Analysis of survey data demonstrate that more than 41% of respondents was female. Interesting, that among female participants of the survey there are equal parts of international and domestic students. At the same time, among respondents observed considerably higher share of male – more than 58% of the participant. Besides, major share of male respondents refers to international students (45,8%) and only 12,5% of male participants have been domestic students.

One of the key questions in our survey refers to information channels that consumers use to acquire data concerning the product when they shopping online. Today’s consumer has different sources through which they can obtain information about product. Thanks to the internet and popular search engines (Yahoo, Google and Bing) including smart phones modern consumer did not prefers traditional methods of marketing techniques such as outdoor or television advertising. Shift from traditional to modern marketing techniques though very good for the consumers has made it essential for businesses to have their online presence along with their physical location.

Figure 18 Primary information channel for online purchasing



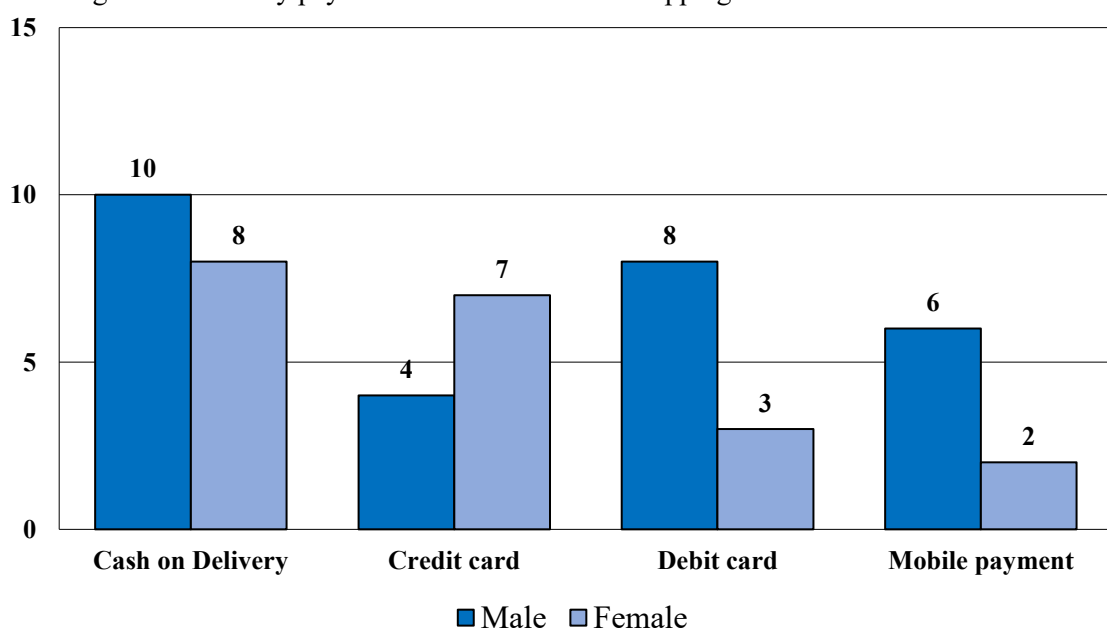
Source: Figure prepared by the researcher at the basis of survey data.

Results of the survey proved that internet is the main source of information when it comes to the students that decide to use online-purchasing. Almost 20 respondents search information about the product online. Direct mail represented the second most popular source of information along with Viber mailing. Most consumers prefer staying away from the store once they know for sure that a specific product that they are searching for is available for shopping online. The results for mobile apps such as Viber are interesting. They demonstrate that a lot of students choose to search information about product in mailing from online stores. Results for traditional information channels such as newspapers, magazines and television advertising are extremely low. Therefore, Internet remain the primary marketing avenue for online shopping for both male and female.

Choosing right method of payment that will be available for customers become essential precondition for launching successful e-commerce shop. In the times when online-shopping is not directly connected to computers, it is very important for the company to apply appropriate method of payment so that consumers could make their orders as fast and comfortable as with computers. When major share of the respondents prefers making purchases online and rapidly rejected traditional merchandise incorporation of more convenient paying methods can be beneficial for any e-commerce company and increase number of potential consumers. That's why, question concerning primary payment method was asked during the survey. Data analysis demonstrate that Cash on delivery is currently one of the most popular method of payments among students that making their purchases online. More precisely, 18 from 48 respondents decide to take advantages of this payment method. In this case, customer does not need to own a credit card to purchase, impulse purchases may increase as payment is not due at the time of ordering. Also, its increase credibility of e-tailers as consumer only has to pay when the item is delivered.

Twenty respondents decide to opt for credit and debit card payment and only eight participants of the survey use mobile payment. Nevertheless, mobile payment remain most promising and convenient method as it allows customers to make payments anywhere, at any time with their wirelessly-connected devices.

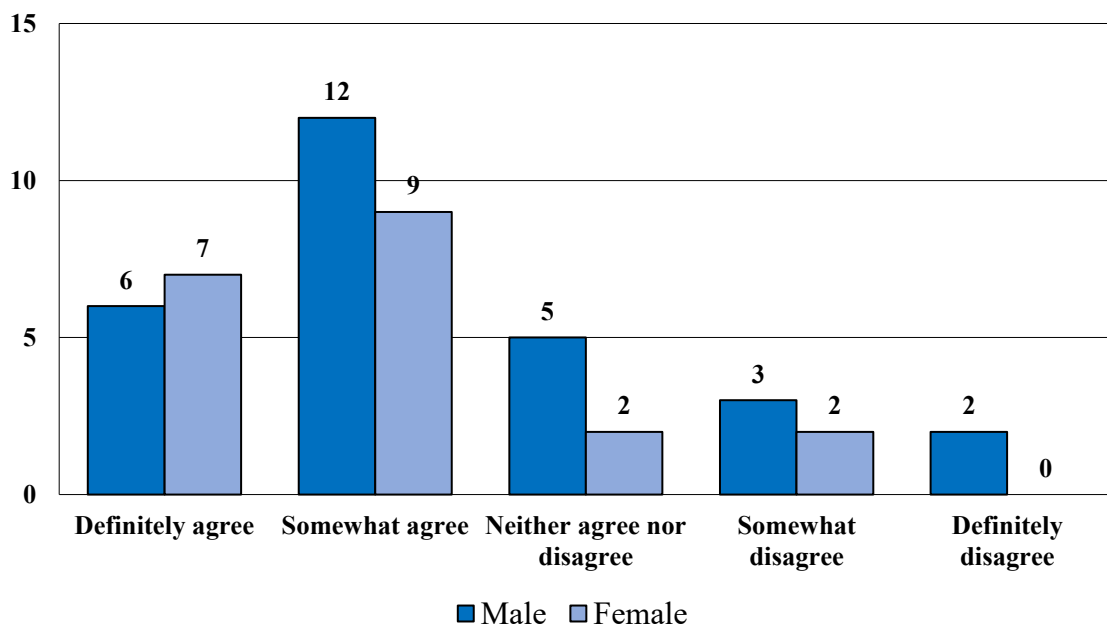
Figure 19 Primary payment method for online shopping



Source: Figure prepared by the researcher at the basis of survey data.

Development of social media has changed consumer behavior and shaped whole retail industry. Nowadays, social media and modern internet technologies allowed consumers to access comprehensive information about the products on global scale and evaluate all possible alternatives during the short period of time (Voramontri, Klieb, 2018). Social media capabilities based on platforms such as YouTube, Facebook, Viber, Pinterest etc. It provides new and attractive way to share and gather purchasing information. The modern consumers especially younger audience are increasingly using online tools, such as blogs on Facebook or YouTube to share their opinions about different products and services. Conducted survey demonstrate that two thirds of respondents consider social media as a key element of online-shopping.

Figure 20 Social media as a key element of online shopping



Source: Figure prepared by the researcher at the basis of survey data.

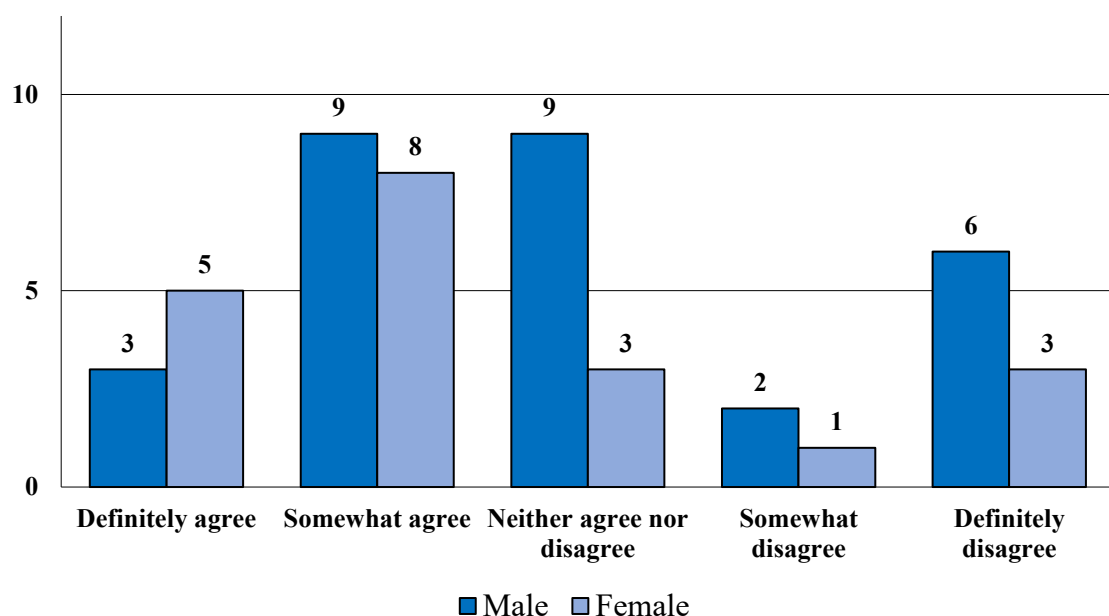
At the same time, only extremely small share of participants of the survey (7 persons) did not view social media as a primary component of their purchasing decision-making in e-tailing. Also, it should be noted that the same number of respondents did not show their position on the particular question. Answering this question both male and female respondents demonstrate almost identical behavioral pattern.

Results of conducted research proved, that social media has become embedded in many customer's purchasing activities in online shopping. Consequently, electronic retailers need to actively engage with these tools as consumers increasingly use them as a primary source of information and tools for interaction with brands.

Making online purchases, consumers often use their own accounts and provide personal data to online-retailer. Detailed customer profiling enables company to build a complete picture of customer base and launch targeted marketing campaigns that increase promotion (Taskin, Meltem, 2011). The user profile describes customer preferences, behaviors, and demographics. It can be generated by getting information directly from the users' online activity or from previous purchase patterns. That, in turn provides an opportunity for personalization in e-commerce that refers to the matching of advertising content and seller services with customers based on their preferences and individual needs. The matching process is based on the user profile which ensures that offers are relevant.

The latest e-tailing trends suggest that consumers want more, rather than less personalization. However, some people object to profiling because they do not like the idea that someone is watching their activity on the Internet. During the survey I attempt to analyze attitude of the respondents toward profiling and personalization in e-commerce. More than a half of respondents agree with convenience and usefulness of profiling. Also, results of survey demonstrate gender differences. There is significantly higher share of male respondents that disagree with consumer profiling in online-shopping. However, consumer profiling helps companies to create effective marketing strategy, generate outstanding personalized value proposition and give category-specific discounts.

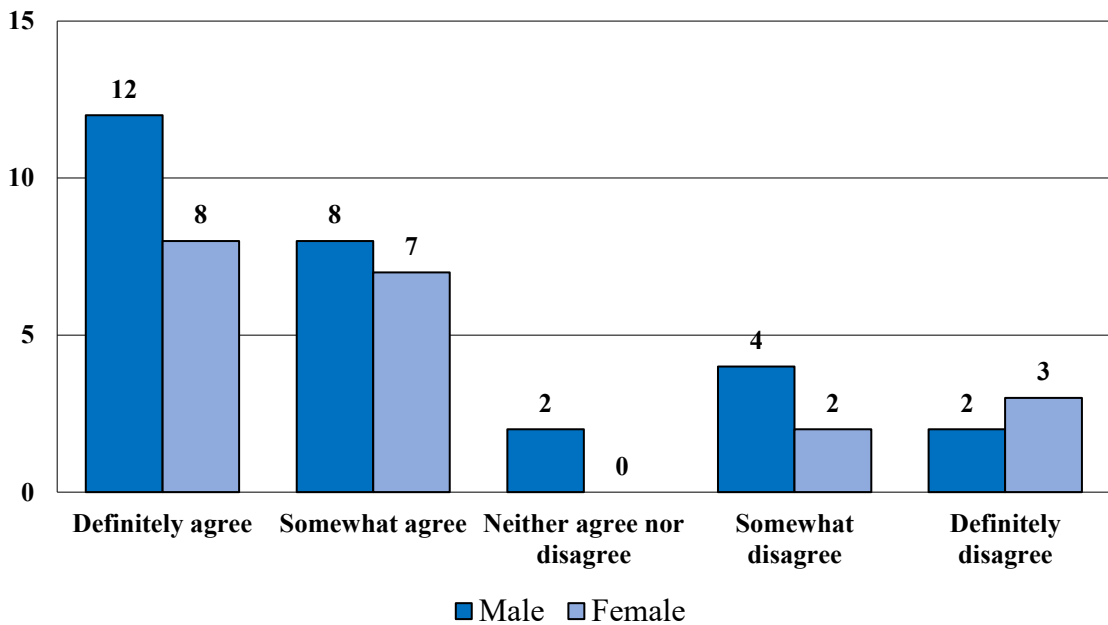
Figure 21 Attitude toward receiving individualized offers and product recommendations based on consumer profiling



Source: Figure prepared by the researcher at the basis of survey data.

As time goes on, consumers are getting younger, with many using a variety of mobile devices to quickly search for what they want, making rapid purchasing decisions. With more options and information at their disposal, modern consumers prefer to do their own product research to access best value for money. The traditional mode of purchase had been changed and now include detailed and extensive market research. Wide availability of smartphones enabled consumers to become more price elastic in their decision-making and more informed about product features and existed alternatives. To explore attitude of consumers toward product research before making online purchase I pose following question to the respondents during the survey.

Figure 22 Attitude toward importance of shopping research before purchase



Source: Figure prepared by the researcher at the basis of survey data.

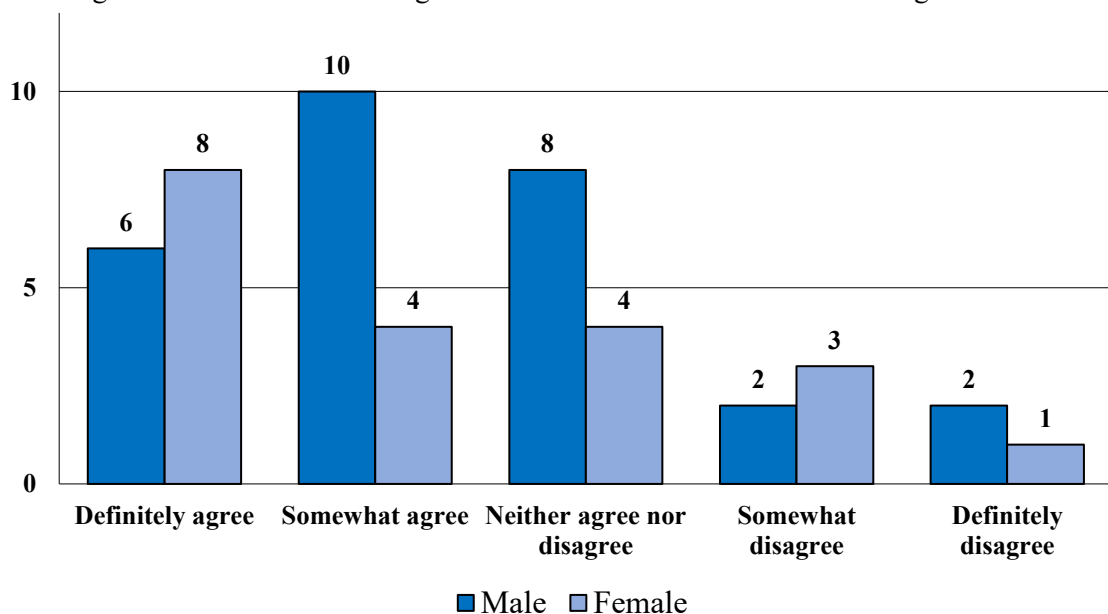
More than two thirds of respondents (35 of 48) agreed on the necessity to conduct shopping research and analyze information about the product before online purchase. Only 11 respondents disagree with usefulness of product research. Therefore, online-retailers to win competition should provide consumers with best offers, products and price. Modern consumers require cost transparency and willing to pay full price only if product fully corresponds with their needs and expectations. Mobile shopping becoming prevalent and provide superior online purchasing experience. This means that company’s website needs to attract customer’s attention in a short space of time and represent professional and attractive looking design that respond to different screen sizes of mobile devices.

Nowadays, broad application of artificial intelligence in marketing fundamentally changing consumer behavior making easier product research and purchasing decision-making. Key AI-based technologies which have proliferated in recent years are chatbots and smart speakers with voice-activated virtual assistants (Szatyłowicz, 2019). Machine learning based on massive amounts of data about consumer behavior that generated and collected from a wide array of devices allow AI-based chatbots and virtual assistants to predict purchasing behavior and personalize consumer experience during online-shopping.

Analysis of survey data demonstrate that most of respondents (28 of 48 students) appreciates the important role of AI-based marketing tools in electronic retailing. Also, results of survey demonstrate gender differences. There is significantly higher share of female respondents that definitely agree with important role of AI-based chatbots and voice assistants in modern virtual marketplace. Since all survey participants were youth, only a small number of respondents underestimated the role of AI-based marketing tools in market environment (8 of 48 students).

In our opinion, results of analysis proved, that AI-driven technologies enhance marketing abilities of the company, enable to deliver more personalized experiences to customers, affect consumer behavior and encourage them to spend more. For example, AI-based chatbots simulate human conversation, answer questions, recommend products, provide checkout link and create highly personalized online customer experience.

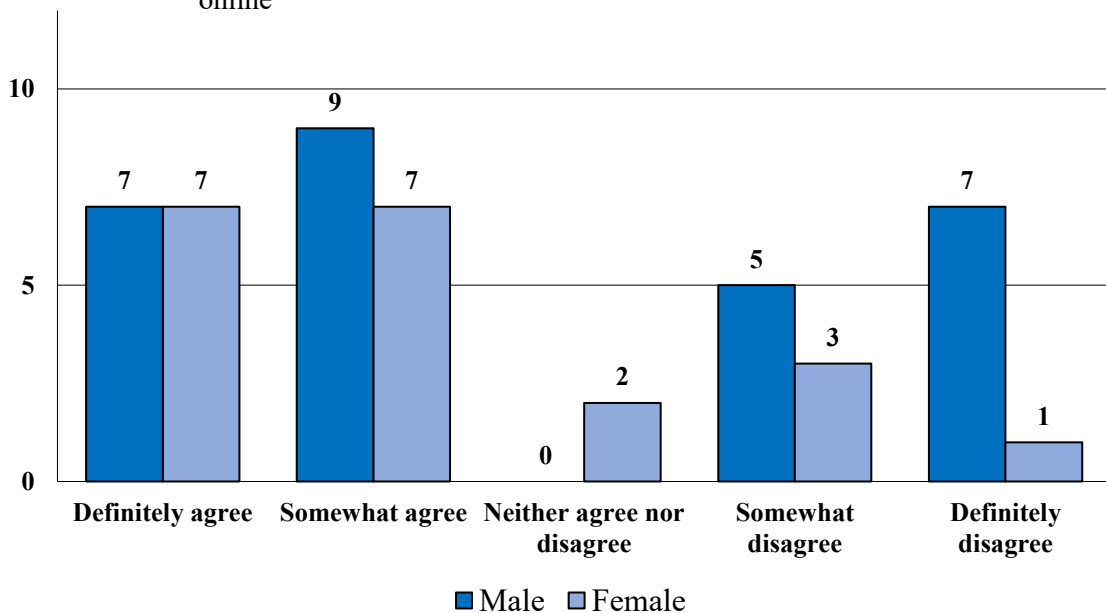
Figure 23 AI-based marketing tools facilitate consumer decision-making



Source: Figure prepared by the researcher at the basis of survey data.

Despite the fact that online shopping is more convenient, it fails to offer a real try-on product experience for potential customer. Moreover, online-shopping has challenges when it comes to concepts such as interactive communication and personalized customer services. This results in a negative customer experience as consumers are always disappointed with the relatively low levels of website interactivity whenever they are shopping online (Hernandez et al., 2010). Therefore, a lot of consumers tend to look for particular product experiences, which are more engaging and practical-oriented. To evaluate the importance of acquiring product experience before purchasing online, I posed a corresponding question during the survey to respondents.

Figure 24 Attitude toward acquiring product experience before purchasing the product online

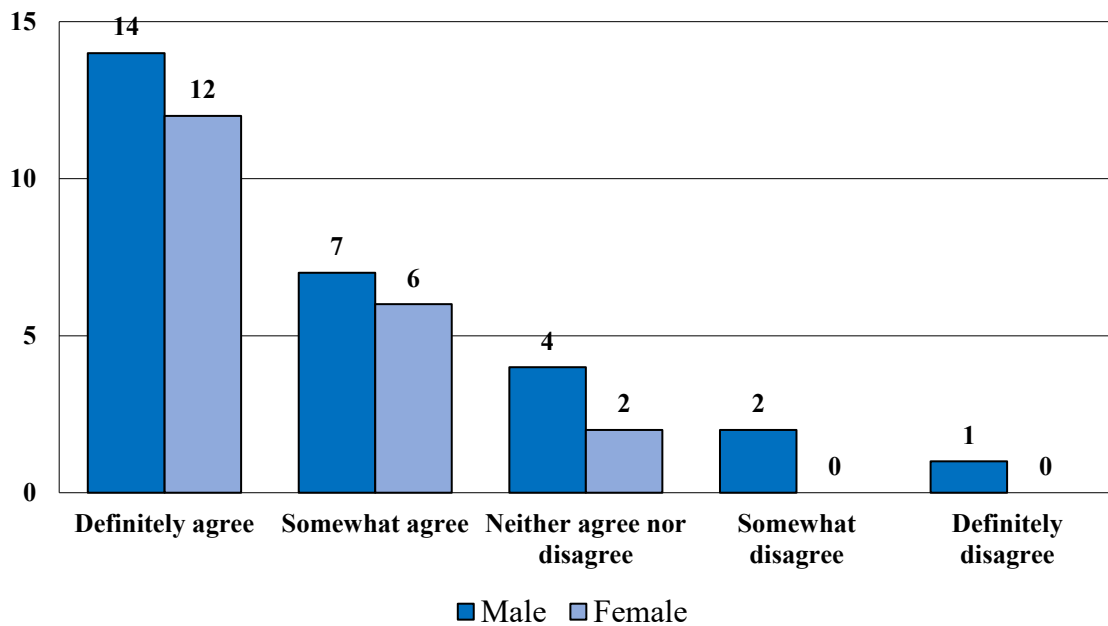


Source: Figure prepared by the researcher at the basis of survey data.

Data analysis proved that almost two thirds of respondents (30 of 48) are aware of the high importance of acquiring product experience before purchasing online. Only 2 respondents haven't figured out their position on this question. Results of the survey demonstrate gender differences. There is significantly higher share of male respondents that definitely disagree with important role product experience before purchasing online. However, product experience remains fundamental part consumer decision-making. To address this issue online retailers should provide consumers with good product descriptions that highlight the benefits of each feature of the product, create e-commerce websites that improve customer experience and attract more consumers in the future.

There is no doubt that the concept of sustainable development is more important today than ever, and key objectives of that development are reducing environmental pollution to satisfy present generation needs while preserving natural environmental for future generations. Therefore, sustainability is no longer optional in retail. Modern consumers make purchases based on their social and environmental impact and prioritizing sustainable online-shopping. In order to prove the fundamental nature of this trend in online retailing, I address a corresponding question to respondents.

Figure 25 Attitude toward preferring environmental-friendly product

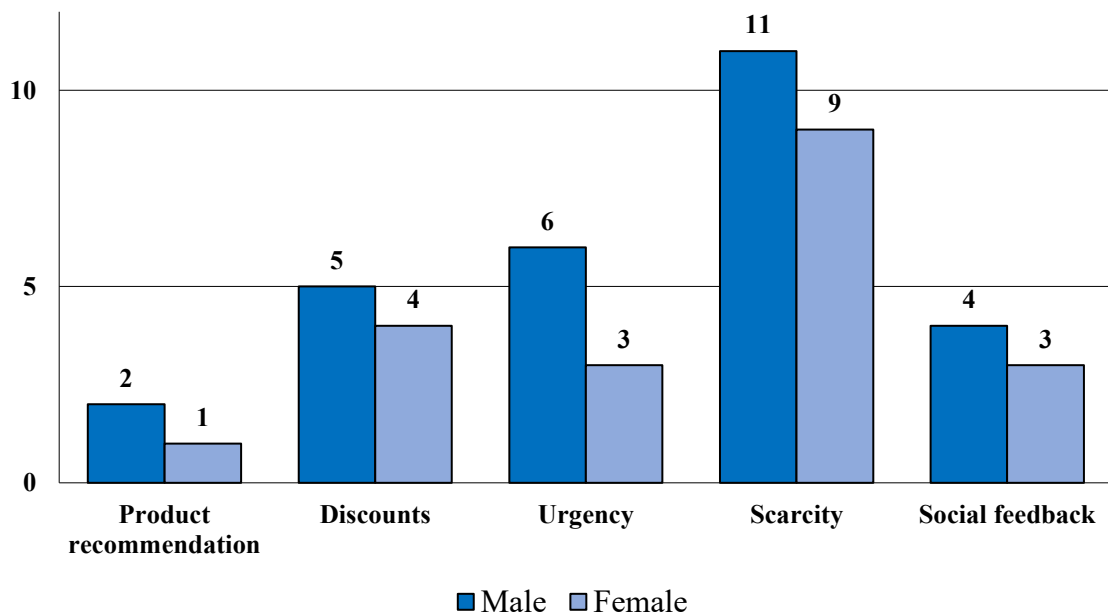


Source: Figure prepared by the researcher at the basis of survey data.

Analysis of survey data shows that most of respondents (39 of 48 students) demonstrate sustainable online-shopping preferring environmental-friendly products. It should be noted, that only 3 respondents underestimated the role of sustainability in their purchasing decision-making. In our opinion, growing concern about the climate crisis and the “Greta Thunberg effect” are driving consumer decision-making toward environmental-friendly products. In this context, companies to gain additional competitive advantages should demonstrate sustainability credentials when design packaging or develop marketing activities. Nowadays, online retailers must apply sustainability marketing campaigns and make sustainability commitments that correspond with values of company, its brands and target audience. In addition, marketer should focus on the environmental issues along with commercial aspect and promote product in the context of environmental protection.

Consumer decision-making process takes up a lot of time, which used to analyze market environment, compare alternative products, acquiring product experience, discovering key product features in order to ascertain that certain product provides best value for many. At the same time, slow consumer decision-making negatively affects company's annual sales and revenue. Increasing annual turnover is primary objective of any fast-growing company. Therefore, online-retailers commonly used different techniques to facilitate the customer purchase decision process including: product recommendation, discounts, scarcity, urgency, social feedback etc. To evaluate how this techniques influence consumer decision-making, I posed a corresponding question during the survey.

Figure 26 Factors that accelerate decision-making in online shopping



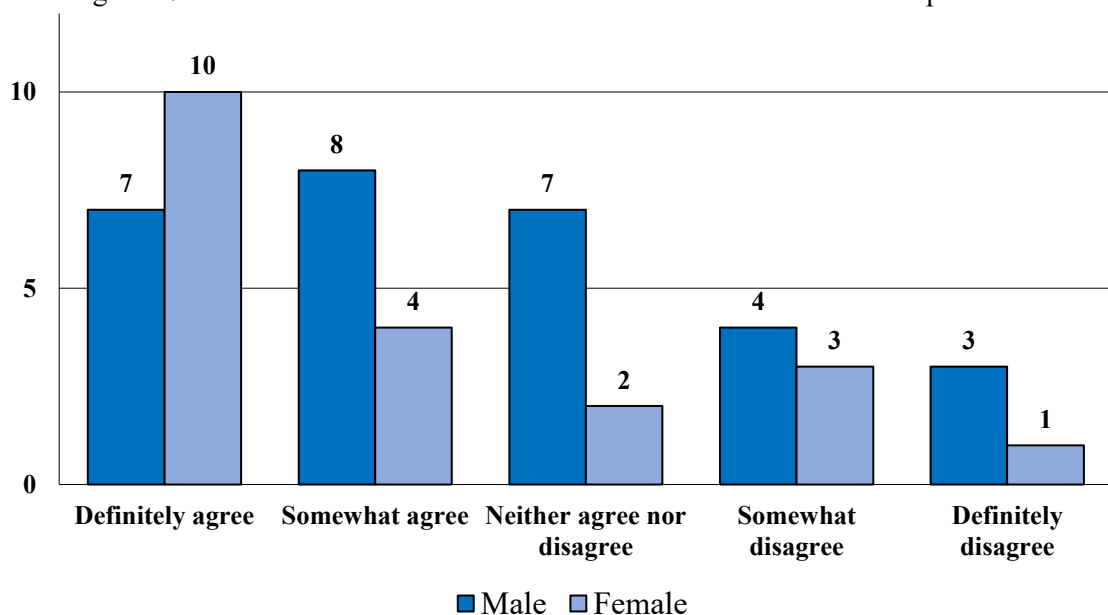
Source: Figure prepared by the researcher at the basis of survey data.

It was quite unexpected, that almost two thirds of respondents (29 of 48) considered scarcity and urgency as key factors that accelerate decision-making in online-shopping. Responds to this question have not demonstrated any gender differences. Therefore, scarcity become an effective marketing tactics in online-shopping. It makes people perceive limited quantities as more precious and valuable. Feeling that a product is in short supply and about to run out creates pressure on consumer and facilitate purchasing decision-making process. Marketing tactics based on scarcity refers to limited time offers and low stock notifications. In case, when website visitors try to delay their purchasing decision urgency create rivalry between them and turn them into rabid shoppers.

Electronic retailing provides outstanding benefits to consumers. Nevertheless, a lot of customers remain reluctant to online shopping because of the lack of trust in virtual market environment. Lack of face-to-face communication, doubts that items will be delivered on time and in good condition, fear that online shopping will compromise privacy and disclose personal data, inability to check product physically before buying negatively affects the customer trust (Grabner-Kräuter, 2002). Thus, trust should play a significant role in shaping an individual's responses to marketing activities in virtual marketplace. In order to assess the impact of trust on consumer behavior during online-shopping, I pose corresponding question to the students that agree to participate the survey.

Survey data analysis proved that more than half of respondents (29 of 48) consider trust as importance factors, which facilitate decision-making process. that of acquiring product experience before purchasing online. Simultaneously, more than 20% of respondents tells that lack of credibility does not significantly affect their purchasing decision. Also, results of the survey demonstrate gender differences. There is significantly higher share of female respondents that require feeling of trust to make an informed purchase decision. Therefore, effective marketing strategy of online retailers should include trust-building activities, such as special website elements, which dispel consumers' concerns about Internet security and privacy, application of secure online payment system, highly credible delivery networks, clear and transparent mechanism of online checkout.

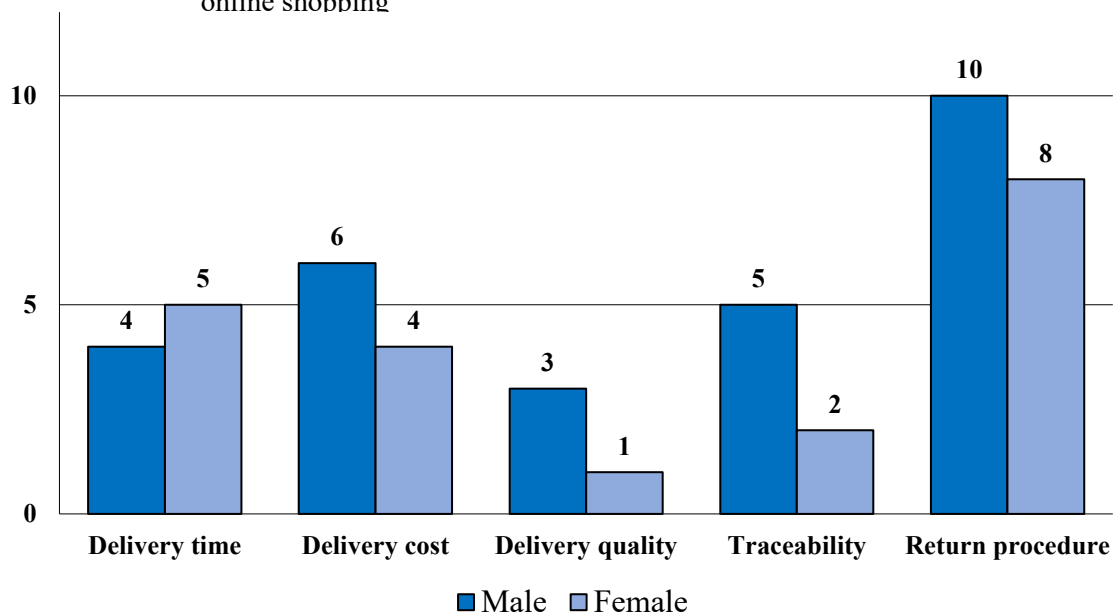
Figure 27 Trust as the main factor that determines consumer decision to purchase online



Source: Figure prepared by the researcher at the basis of survey data.

Delivery service is one of the most important tasks of online purchase related to logistics, its performance directly affects consumer satisfaction. Direct and reverse logistics in online purchases plays a crucial role in consumer decision-making (Varga et al., 2017). Any difficulties with the delivery process or return policy can have a negative effect on the customer experience. If delivery is too expensive, takes too long or the product arrives damaged the overall customer satisfaction will decrease. On the other hand, positive delivery experience leads to better reputation, drives customer loyalty and increases company's profit. To evaluate how each component of delivery influences consumer decision-making, I posed a corresponding question during the survey to my respondents.

Figure 28 Components of e-commerce logistics that mainly affects decision-making in online shopping

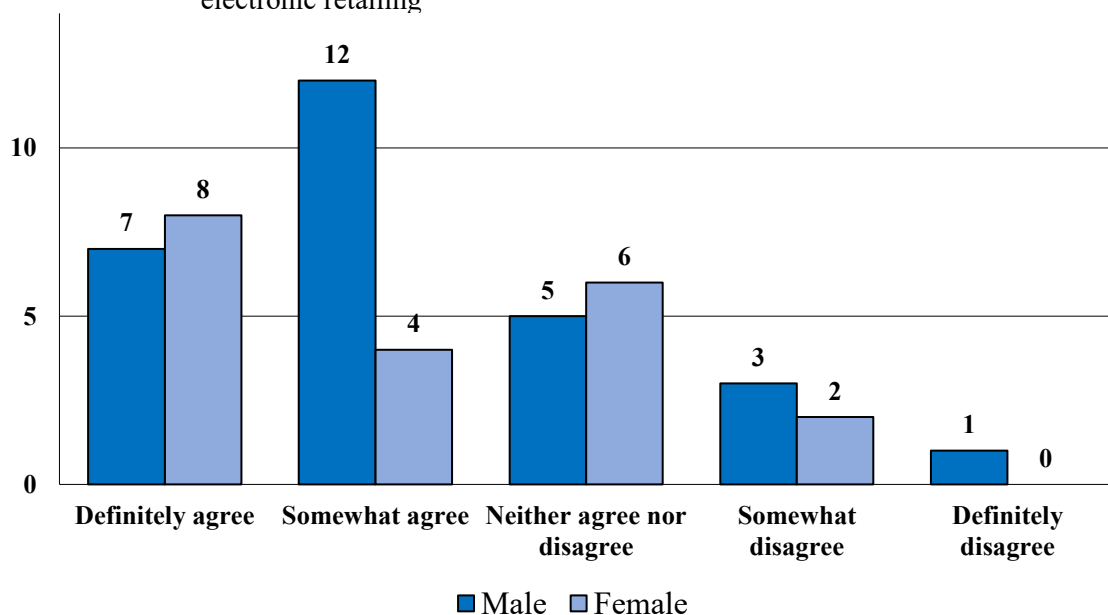


Source: Figure prepared by the researcher at the basis of survey data.

It was quite unexpected, that one third of respondents (18 of 48) considered reliable return policy as key component of e-commerce logistics that influences decision-making in online-shopping. Modern consumers prefer to spend little or no money to return products and always looking for simple one-step returns process. Therefore, transparent and convenient return policy gives e-tailing company's ability to retain customers, create superior post-purchase experience, build long-lasting relationships with customers and provide competitive value proposition in the market. A restrictive, complicated, or unclear returns policy can prevent shoppers from buying. On the other hand, making the return process easier, e-tailers can capture additional revenue and keep customers coming back.

One of the most up-to-date and efficient business models that increases customer lifetime value and reduce the acquisition costs is subscription-based e-commerce. Biggest online-retailers increasingly adopting subscription model to provide extra benefits and personalized services to customers to suit their needs. Nowadays, most suitable for online-retailing subscription model is replenishment subscriptions, which enables consumers to automate the purchase of necessities through scheduled delivery of products, providing subscribers with a convenient way to ensure that they never run out of their stock. Subscription deliver a more predictable income as retailers can predict volume and demand much more easily, enabling them to order stock more accurately and organize logistics more effectively. To evaluate the prospects of implementation of replenishment subscriptions in medium-sized online-retailers, I address this question to respondents.

Figure 29 Attitude toward convenience and usefulness of replenishment subscription in electronic retailing



Source: Figure prepared by the researcher at the basis of survey data.

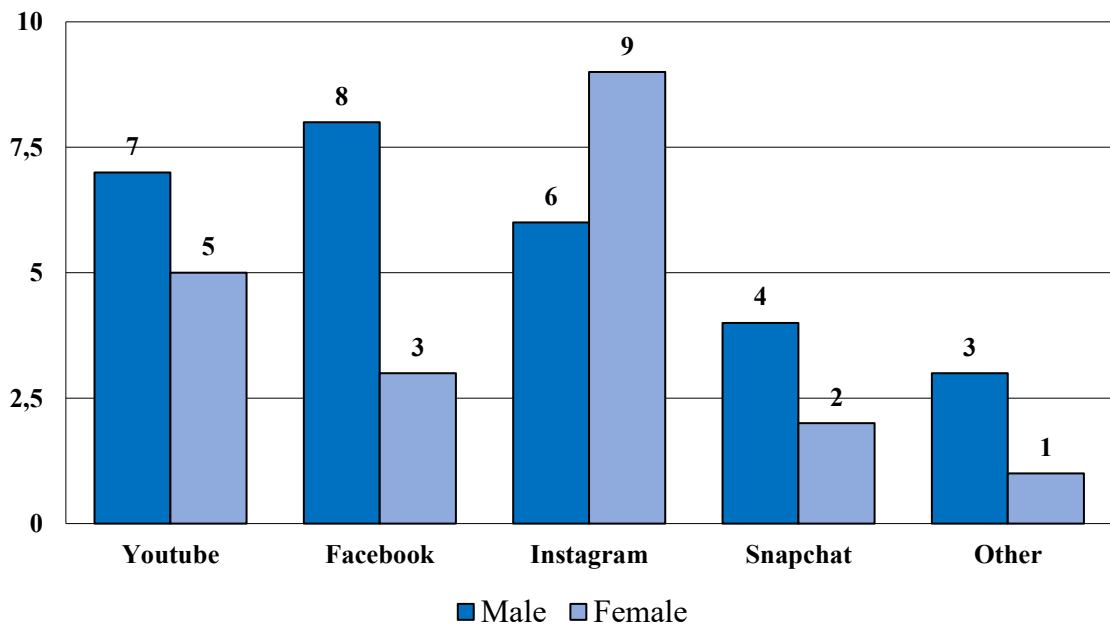
Data analysis proved that only 6 respondents disagree with usefulness of replenishment subscription in e-tailing. Major share of respondents (31 of 48) are aware of the high convenience of subscription services in online purchasing. Quite interesting, that more than 20% of respondents haven't figured out their position on this question. Results of the survey demonstrate gender differences. There is significantly higher share of female respondents that more confident about convenience and usefulness of replenishment subscription. In our opinion, it's because many of them run the household and want to be

sure that they never run out of their stock. However, subscription remain the most promising path for development of online retailing. Modern companies should apply subscription business model to increase customer retention, generate predictable income and use the consumer data and feedback to continually refine and improve their offering.

Modern well-established social media turned into powerful marketing channels that facilitate company’s marketing communication in virtual economic environment, increase customer engagement and provide active involvement of consumers in the development of new value propositions and co-creation of marketing programs (Voramontri, Klieb, 2018). Social communications increasingly affect customer experience as it’s connected, influenced and based on more personal interactions. Some consumers use social media very intensively and rely on opinions of social network users and communities in making purchasing decisions.

Information that shared in social media regarding products and customer experiences can have a tremendous impact on the efficiency of marketing strategy. In this context, active participation of the company in social media and establishment of personal relationships with consumers provide strong basis for customer acquisition and retention. To determine whether social media become primary source of information for shopping research of modern consumers, a corresponding question was raised during the survey.

Figure 30 Social media that used as a primary source of information for shopping research before online purchase



Source: Figure prepared by the researcher at the basis of survey data.

It was quite unexpected, that major share of responds (38 of 48) refers to three social media - Instagram, Facebook and YouTube in almost equal proportion. Only six respondents use Snapchat as primary source of information for shopping research. Also, results of the survey demonstrate gender differences. There is significantly higher share of female respondents that prefer Instagram, while male respondents give priority to Facebook and YouTube. However, survey data proved that all of the respondents refer to digital generation that grew up with social media, technologies and smartphones. They demonstrate ability to multitasking, require more media content and had very short attention span. All of respondents use multiple channels or several media platforms simultaneously and prefer visual content instead of text-based.

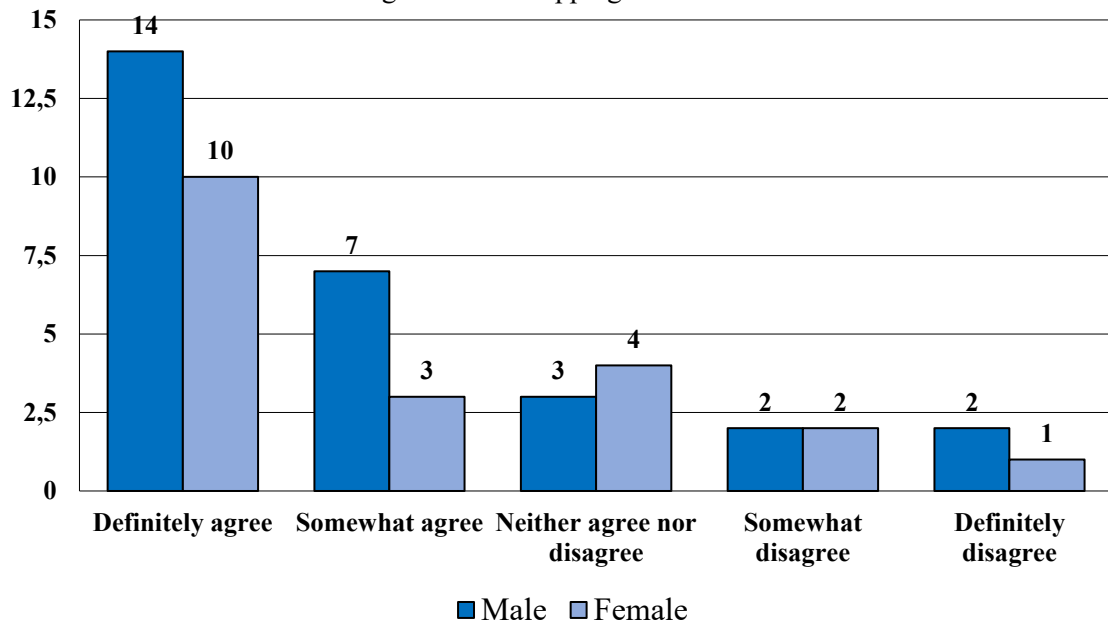
Conducted study demonstrates that video become a primary content in social media landscape due to its multitasking and versatility. Nowadays, visual experience is more important than ever. Video content allows for commenting and other interaction, giving consumers the feeling of a direct relationship with content-makers. Therefore, to build and maintain relationships with targeted customers online-retailers should create quality visual content and expand social media presence with free and easily accessible tools keeping consumer audience engaged through the creation of a well-planned social media strategy.

Effective social media marketing strategy based on engagement metrics, content calendar, creating inspiring and relevant visual content, communicating testimonials, sharing customer reviews. Continuous personal communications and meaningful interactions, surveys, interviews and focus groups with customers via social media create sense of belonging and feeling of connection with brand that increase customer loyalty.

Last survey question has direct relationship with abovementioned concept of social media marketing strategy. With increasing competition in the electronic retailing industry market actors focuses on community building to benefit from loyal customer audience that provide demographic data, participate creation of the new valuable propositions and generate predictable income in exchange of personalized purchasing experience (Harris, 2018). Establishing emotional connection with the brand enables company to increase consumer satisfaction who become less price elastic in purchasing decision-making and willing to pay more for company's products and services. Well-established connection with brand and sense of belonging to community made customers feel that business care about them and turned into one of the most significant motivators that affects consumer decision-making in

virtual marketplace. In order to assess the impact of this factor on consumer behavior during online-shopping, I pose corresponding question to the participants of the survey.

Figure 31 Attitude toward considering emotional connection with a brand and sense of belonging to community as important factors that influence purchasing decision-making in online shopping



Source: Figure prepared by the researcher at the basis of survey data.

Survey data analysis proved that more than 70% of respondents (34 of 48) consider connection with a brand and sense of belonging to community as important factors, which affects purchasing decision-making during online shopping. Simultaneously, only 14% respondents tell that lack of emotional connection with brand does not significantly affect their purchasing decision. Therefore, effective marketing strategy of the company in online retailing should imply establishment and support of long-lasting relationships with customer through community building with target audience and creation of personalized purchasing experience that satisfy customer needs. Adding social value to the product, focusing on active interactions with customers through follow up, community messaging and direct mail provide important competitive advantages and drive customer engagement.

Conducted research provide valuable insight into the attitudes and preferences of modern consumers that use online-shopping. Data obtained during the survey shows behavioral patterns of consumers and provide a basis for managerial implications concerning effective marketing strategy in e-tailing that improve targeting, marketing campaign, and enable company to develop value propositions and reach customer satisfaction.

5 Results and Discussion

Consumer behavior represents complicated decision-making process that affected by external and internal factors, and implies gathering data on current market conditions, evaluating product alternatives, purchasing of goods and acquiring product experience. This behavior is very complex and dynamic which keeps on changing constantly. In addition, with the post-industrial transformation of the market environment, consumer behavior is beginning to be increasingly influenced by modern information technologies. Growing number of internet users caused by rapid development of information technology and high-speed data connection increased number of consumers that prefer online-shopping. This has led to rapid growth of electronic retailing that extensively use social media, digital content, search engines to promote products and facilitate purchases online.

Modern information technologies give consumers an access to comprehensive market information about product or brand. As a result, online shopping rapidly replaced traditional retail that ultimately transformed model of consumer behavior and competitive environment. Smartphones enabled consumers to become more price elastic in their decision-making and more informed about product features and existed alternatives. Also, automated sales cut down companies' expenses and decrease role of salespersons in product promotion.

All these factors, which influenced consumer behavior in online shopping required detailed analysis that become an important precondition for creation of good customer value and development of the marketing strategy. Conducted qualitative research of consumer behavioral patterns, needs and attitudes in electronic retailing provide insight for company's managers that helps to create an effective customer-oriented marketing strategy and increase consumer engagement and retention through application of optimal marketing techniques.

Results of the survey demonstrate that modern consumers during the decision-making process take into consideration various factors, use multiple information channels for online-purchasing and engage in different consumption activities to make optimal buying decision and maximize value provided by the purchase. On the other hand, sometime respondents show altruistic behavior preferring purchase environmentally friendly products that promote sustainability even when alternatives might offer a better value.

Analysis of survey data allow to identify newly emerging trends in competitive environment, determine following key features of purchasing decision-making process and

criteria that modern customers operate making their choice in online shopping (Table 7). Table specified below also represents managerial implications concerning practical application of discovered peculiarities of consumer behavior in electronic retailing to promote sales and create outstanding value proposition for modern consumers.

Table 7 Key peculiarities of consumer behavior in electronic retailing that discovered during the conducted survey

№	Peculiarities of consumer behavior in electronic retailing	Practical application in marketing strategy, product promotion and consumer engagement
1.	Internet become main source of information when it comes to the online-purchasing. Two thirds of respondents search data about the product online or in mailing from stores. Results for traditional information channels such as television are extremely low.	Company should use email marketing, remind customers to shop through Viber, print store's URL on all marketing materials and bags, give photo of the product good names so search engines can easily find it, offer current customers a discount for referring their friends, use paid search campaigns on search engines.
2.	Cash on delivery turned out to be the one of the most popular method of payments along with credit and debit card payment among students that making their purchases online. Mobile payment is most promising and convenient method as it allows customers to make payments anywhere, at any time.	Online retailers should provide appropriate methods of payment so that consumers could make their orders fast and comfortable. I suggest to provide cash on delivery and mobile payment options. In this case impulse purchases may increase as payment is not due at the time of ordering. Also, its increase credibility of e-tailers as consumer only has to pay when the item is delivered.
3.	Social media has become embedded in many customer's purchasing activities in online shopping. Modern consumers are increasingly using online tools, such as blogs on Facebook, YouTube, Instagram to share their opinions and gather information about different products and services.	Electronic retailers need to actively engage with social network as consumers increasingly use them as a primary tool for interaction with brands. Social media capabilities based on platforms such as YouTube, Facebook, Viber, Pinterest provides new and attractive way to share product information and gather purchasing behavior data to form consumer metrics.
4.	More than a half of respondents agree with convenience and usefulness of profiling. However, small share of respondents object to profiling because they do not like the idea that someone is watching their activity.	Company should extensively use implicit consumer profiling that helps to create effective marketing strategy, launch targeted marketing campaigns, generate outstanding personalized value proposition and give category-specific discounts that increase promotion.
5.	Two thirds of respondents conduct shopping research and analyze information about the product before online purchase using a variety of mobile devices.	Enterprise website should provide price transparency and attract customer's attention in a short space of time and represent professional and attractive looking design that respond to different screen sizes of mobile devices.

Source: Table prepared by the researcher.

By placing these peculiarities of consumer behavior in electronic retailing at the center of its marketing strategy company could focus on the relevant marketing mix, creating an extra value for potential purchasers, which is linked to the product as part of the unique selling propositions and turn prospective consumers into loyal customers of the products or services. In addition to key peculiarities of consumer behavior, conducted survey provide

valuable insight on core factors that affects purchasing decision-making in electronic retailing. Detailed information concerning these factors provided in Table 8. Most of these factors are difficult to quantify but they are powerful enough to determine buying decision in online shopping providing favorable conditions for the purchase and increasing customer satisfaction driving person to choose a particular product.

Table 8 Key factors that influence consumer behavior in electronic retailing that discovered during the conducted survey

№	Factors that affects consumer behavior in electronic retailing	Practical application in marketing strategy, product promotion and consumer engagement
1.	Online shopping has challenges when it comes to offering product experience for potential customer. Almost two thirds of respondents are aware of importance of acquiring product experience before purchase.	To address this issue and increase customer engagement company should provide them with good product descriptions that highlight the benefits of each feature of the product, create websites that improve customer experience and attract more consumers in the future.
2.	Most of respondents demonstrate sustainable online-shopping preferring environmental-friendly products. Modern consumers make purchasing decisions based on their social and environmental impact. It could also results from “Greta Thunberg effect”.	To gain additional competitive advantages company should demonstrate sustainability credentials when design packaging or develop marketing activities. Online retailers must apply sustainability marketing campaigns and make sustainability commitments that correspond with values of company and target audience.
3.	Customers remain reluctant to online shopping because of the lack of trust in virtual market environment. More than half of respondents consider trust as important factor, which facilitate decision-making process during online shopping.	Trust should play a significant role in shaping an individual’s responses to marketing activities in virtual marketplace. Marketing strategy of online retailers should include trust-building activities, such as secure online payment system, credible delivery networks, clear and transparent mechanism of online checkout.
4.	Social communications increasingly affect customer experience as it’s connected and based on more personal interactions. Survey data demonstrates that video become a primary content in social media field due to its multitasking and versatility.	Effective marketing strategy based on creating inspiring and relevant visual content. Company should establish continuous personal communications and meaningful interactions with customers via social media, create sense of belonging and feeling of connection with brand that increase customer loyalty and retention.
5.	More than 70% of respondents consider connection with a brand and sense of belonging to community as important factors, which affects purchasing decision-making during online shopping. Only 14% respondents tell that this factor does not significantly affect their decision-making.	Company should focus on community building to benefit from loyal customer audience that provide demographic data, participate creation of the new valuable propositions and generate predictable income in exchange of personalized purchasing experience. Establishing emotional connection with brand enables company to increase consumer satisfaction.

Source: Table prepared by the researcher.

Results of conducted survey not only provide deeper understanding of the purchasing patterns of modern consumer in virtual market environment, but also underline core factors that create positive consumer experience and convince him to make the right choice and spend his money on the product that satisfy his needs or had social and environmental impact.

One of the most important results of the qualitative research was the presence of serious gender differences in consumer behavior during online shopping. To achieve gender equality, I try to encourage participation of both male and female in the survey. Survey data demonstrate that more than 41% of respondents was female. Nevertheless, males and females demonstrate different perception of market environment, attitudes to various marketing techniques and diverse purchasing activities in online-shopping.

Table 9 Key gender differences in consumer behavior that discovered during the survey

№	Gender differences in consumer behavior during online shopping	Practical application in marketing strategy, product promotion and consumer engagement
1.	Significantly higher share of male respondents disagrees with consumer profiling. Females in contrary agree with convenience and usefulness of profiling.	Company could apply more explicit consumer profiling techniques when working with female consumer (asking them for information via specially designed web form or landing pages) in exchange of specific discounts.
2.	Higher share of female respondents agrees with important role of AI-empowered chatbots and voice assistants in modern virtual marketplace.	Targeting female consumers company should use AI-driven technologies to deliver more personalized experiences to customers, affecting consumer behavior and encourage them to spend more in online shopping.
3.	Acquiring product experience before purchasing is more important for female consumer. Male respondents less interested in acquiring product experience.	Selling female-targeted product company should provide outstanding opportunities to acquire product experience before online purchase and highlighting the benefits of each feature of the product.
4.	In sharp contrast to male consumers, significantly higher share of female respondents requires feeling of trust to make an informed purchase decision.	Creating value propositions for female audience company should more relay on trust-building activities, such as special website elements, which dispel consumers' concerns about security.
5.	Higher share of female respondents prefers Instagram, while male respondents give priority to Facebook and YouTube. However, they both use multiple channels or several media platforms simultaneously.	To build and maintain relationships with targeted female customers online-retailers should create quality visual content in Instagram allowing for commenting and other interaction, giving consumers he feeling of a direct relationship with content-makers.

Source: Table prepared by the researcher.

Results of data analysis proved that men and women have fundamentally different behavioral patterns, which affect how they decide to purchase online. Male are strong, independent decision-makers. On the other hand, female consumers demonstrate long term consideration, strong influence of advertisements, purchase experience and trust. Therefore, these important gender differences should be taken into account when creating, promoting and selling products online. Nowadays, gender roles become an important factor. Division of the market by gender helps companies to better study and influence certain categories of consumers. Segmenting the market, company could significantly increase profits, earning on differences between men and women. Producing almost identical products and using

gender-oriented packing, online retailers enabled to create diverse value proposition and generate additional revenue streams through advertising and sales promotion measures that match the gender role of modern consumers.

Conducted survey along with discovered peculiarities of consumer behavior in electronic retailing and revealed factors, which affects purchasing decision-making during online shopping, enabled to define key managerial implication for development of effective marketing strategy. These managerial implications refer to modern marketing techniques that could facilitate consumer engagement and promote sales in electronic retailing.

Table 10 Modern marketing techniques designed to affect consumer behavior and facilitate purchasing decision-making in electronic retailing

№	Title	Description
1.	AI-based chatbots and virtual assistants	Application of artificial intelligence in marketing fundamentally changing consumer behavior making easier product research and purchasing decision-making. AI chatbots and virtual assistants used to predict purchasing behavior and personalize consumer experience during online-shopping. AI-driven technologies enhance marketing abilities of the company, affect consumer behavior and encourage them to spend more. AI-based chatbots simulate human conversation, answer questions, recommend products, provide checkout link and create personalized online customer experience.
2.	Scarcity and urgency marketing tactics	Consumer decision-making process takes up a lot of time, which used to analyze market environment, compare alternative products, acquiring product experience, discovering key product features. To facilitate customer purchase decision company should apply scarcity and urgency techniques. Marketing tactics based on scarcity refers to limited time offers and low stock notifications. In case, when customer try to delay their purchasing decision its create rivalry between them and turn them into rapid shoppers.
3.	Reliable and credible return policy	Return policy is one of the most important tasks of online purchase related to logistics, its performance directly affects consumer satisfaction. Any difficulties with product return can have a negative effect on the customer experience. A restrictive, complicated, or unclear returns policy can prevent shoppers from buying. Therefore, transparent and convenient return policy gives e-tailing company's ability to retain customers, create superior post-purchase experience, build long-lasting relationships with customers and provide competitive value proposition in the market.
4.	Subscription-based marketing model	Subscription-based e-commerce increases customer lifetime value, reduce the retention costs and provide extra benefits and personalized services to customers. It enables consumers to automate the purchase of necessities through scheduled delivery of products, providing subscribers with a convenient way to ensure that they never run out of their stock. Survey proved that this model is extremely suitable for female, because many of them run the household and want to be sure that they never run out of stock. Also, company could use this model to gather consumer data and feedback to continually refine and improve their offering.

Source: Table prepared by the researcher.

The unstable and constantly changing market environment, necessity to take into consideration peculiarities of consumer behavior and various factors, which influence purchasing decision-making in online shopping turning customer-oriented marketing strategy into the main competitive advantage of the company in electronic retailing.

Figure 32 Proposed customer-oriented marketing strategy development process



Source: Figure prepared by the researcher.

Applying customer-oriented marketing strategy, company putting the customer value and purchasing experience in the center of all business processes. Focusing on personalization of customer purchasing experience online retailers allowed to develop value proposition based on deep understanding of consumer needs, attitudes and behavioral patterns. Loyal customers, in turn, through word of mouth improve brand reputation and stimulate purchasing activity. Analysis of consumer behavior through surveys, focus groups, feedbacks and implicit customer profiling before proceeding to marketing strategy development enables company to acquire an insight on key consumer needs and behavioral metrics. Personalized value propositions and purchasing experience, active participation of the company in personal relationships with consumers provide strong basis for customer acquisition and retention, increase customer satisfaction and engagement, raise sales volumes and profit margin. Therefore, well developed customer-oriented marketing strategy become a core competitive advantages of the seller in modern virtual market environment.

6 Conclusion

Conducted research study provide understanding of theoretical background and principles of consumer choice, identify principles of consumer decision-making process, reveal the impact of psychological, cognitive, emotional and social factors on consumer behavior, and allows to arrive to important managerial implications on effective customer-oriented marketing strategy that improve marketing abilities of the company and enable to develop personalized value propositions and reach customer satisfaction. The following key findings that consistent with previously defined objectives were obtained during the research.

Knowledge of the needs and motivation of consumers of the target market segments, as well as their behavioral patterns remain one of the core preconditions for the development of an effective marketing strategy of the company. At the same time, consumer behavior is a difficult subject to research because consumers are influenced in their decision-making processes by many internal and external motivators and determinants when they analyze market alternatives and making purchasing decision. Practical insight on consumer behavior is key to establishing of all marketing activity which is carried out to develop, promote and sell products in globalized and highly competitive economic environment.

Consumer decision-making is a complex, dynamic, multi-dimensional process involving acquiring, evaluating, using and disposing of goods and services. Commonly consumers use three types of choice processes: affective, attitude-based and attribute choices. First one is based on an emotional factor. Attitude-based choice could be considered as systematic, rules-based process. Last type of consumer choice process is strictly based on benefit and feature-by-feature comparisons across specific brands or products. Analysis of consumer behavior demonstrates that satisfied customers can become unpaid representative of the seller, so customer satisfaction should be on the top of strategic objectives of the company.

Motivation, attitudes and perception represented key internal factors that influence consumer decision-making. Therefore, it is important for marketers to understand how attitudes are formed and how they could be influenced since this could help to affect consumers behavior. Market evidence on individual consumption patterns of real-life customers demonstrate that assumption that people make only rational, self-interested choices did not correspond to reality. Behavioral economics demonstrate that in the real world, consumers make decisions under the constraints of limited cognitive abilities and economic resources.

Growing number of internet users driven by information technology development rapidly increased number of consumers that prefer online-shopping. Internet gives consumers ultimate access to information and simultaneously changed their behavioral patterns. Conducted qualitative research of consumer behavioral patterns, needs and attitudes in electronic retailing provide insight for company's managers that helps increase consumer engagement and retention through application of optimal marketing techniques.

Analysis of survey data allow to identify newly emerging trends in competitive environment, determine following key features of purchasing decision-making process and criteria that modern customers operate making their choice in online shopping: cash on delivery turned out to be the one of the most popular method of payments along with credit and debit card; social media has become embedded in many customer's purchasing activities; more than a half of respondents agree with convenience and usefulness of profiling; more than 70% of respondents consider connection with a brand and sense of belonging to community as important factors, which affects purchasing decision; social communications increasingly affect customer experience as it's based on personal interactions.

Results of data analysis proved that men and women have fundamentally different behavioral patterns, which affect how they decide to purchase online. Males showed themselves as independent decision-makers. On the other hand, female consumers demonstrate long term consideration, strong influence of purchase experience and trust.

Conducted survey enabled to define key managerial implication for development of effective marketing strategy, which refer to modern marketing techniques that could facilitate consumer engagement and promote sales including: AI-based chatbots and virtual assistants; scarcity and urgency marketing tactics; subscription-based marketing model.

Small sample size that results from the lack of time and funding negatively affects validity and reliability of survey results. Nevertheless, despite their limitations, obtained results allows to determine key principles of customer-oriented marketing strategy that place customer value and purchasing experience in the center of all business processes. Analysis of consumer behavior before proceeding to marketing strategy development enables company to acquire an insight on key consumer needs and behavioral metrics. Personalized value propositions and purchasing experience provide strong basis for customer acquisition and retention, increase customer satisfaction and engagement. All this makes customer-oriented marketing strategy a core competitive advantage of the company.

7 References

- AHLERSTEN, K. *Microeconomics*. 1st Ed. Holstebro: Ventus Publishing, 2008. 134 p. ISBN: 978-87-7681-410-6.
- ALTMAN, M. *Handbook of Contemporary Behavioral Economics. Foundations and Developments*. New York: M.E. Sharpe Inc., 2006. 762 p. ISBN: 978-0-7656-1302-8.
- ANAS, H., SAIFULLAH, M., ISHAK, A. Determinants of Satisfaction, Trust, and Loyalty of E-Commerce Customer. *International Journal of Economics and Management*, 2016, Vol. 10, p. 51–166. ISSN 1823-836X.
- BAKATOR, M. et al. Analysis of consumer behavior and marketing strategy improvement. In: *Engineering Management and Competitiveness*. Novi Sad, SRB: Technical faculty "Mihajlo Pupin", Zrenjanin, 2016, p. 201-205. ISBN 978-86-7672-284-6.
- BOURLAKIS, M., PAPAGIANNIDIS, S., FOX, H. E-Consumer Behavior: Past, Present and Future Trajectories of an Evolving Retail Revolution. *International Journal of E-Business Research*, 2008, Vol. 4(3), p. 64-76. ISSN: 1548-1131.
- CAMERER, C., LOEWENSTEIN, G., RABIN, M. *Advances in Behavioral Economics*. Princeton: Princeton University Press, 2004. 740 p. ISBN: 978-0-691-11681-4.
- CLOSE, A. *Online Consumer Behavior: Theory and Research in Social Media, Advertising, and E-tail*. New-York: Routledge, 2012. 400 p. ISBN: 978-1-848-72969-8.
- COWELL, F. *Microeconomics: Principles and Analysis*. Oxford: Oxford University Press, 2006. 644 p. ISBN: 978-0-199-26777-4.
- DIAMOND, P., VARTIAINEN, H. *Behavioral Economics and Its Applications*. Princeton: Princeton University Press, 2007. 312 p. ISBN: 978-0-691-12284-7.
- GIDEON, L. *Handbook of Survey Methodology for the Social Sciences*. New York: Springer Science, 2012. 520 p. ISBN 978-1-4614-3875-5.
- GRABNER-KRÄUTER, S. The Role of Consumer Trust in Online-Shopping. *Journal of Business Ethics*, 2002, Vol. 39, p. 43-50. ISSN: 0167-4544.
- GROVES, R. et al. *Survey Methodology*. 2nd Ed. Hoboken: John Wiley & Sons Publishing, 2009. 488 p. ISBN: 978-0-470-46546-2.
- HARRIS, W. *Why Building Community Matters* [online]. 4 April 2018. Available at: <https://marketinginsidergroup.com/content-marketing/w-3nndsw-xdb>. Accessed 2 March 2020.

- HAUGTVEDT, C. *Online Consumer Psychology: Understanding and Influencing Consumer Behavior in the Virtual World*. Mahwah: LEA Inc., 2005. 574 p. ISBN: 0-8058-5154-2.
- HERNANDEZ, B., JIMENEZ, J., MARTIN, J. Customer Behavior in Electronic Commerce: The Moderating Effect of E-purchasing Experience. *Journal of Business Research*, 2010, Vol. 63, p. 964–971. ISSN: 0148-2963.
- JONGEN, W. *The Future of New Retail in an Always Connected World*. Singapore: World Scientific Publishing, 2018. 306 p. ISBN: 978-9-813-27454-9.
- JONKER, J., PENNINK, B. *The Essence of Research Methodology. A Concise Guide for Master & PhD Students*. Heidelberg: Springer, 2010. 182 p. ISBN: 978-3-540-71658-7.
- KHAN, M. *Consumer Behavior and Advertising Management*. New Delhi: New Age International, 2007. 391 p. ISBN: 978-8-122-42552-9.
- KOTHARI, C. *Research Methodology: Methods and Techniques*. 3rd Ed. New Delhi: New Age International, 2012. 418 p. ISBN 978-81-224-2488-1.
- KOTLER, P., KELLER, K. *Marketing Management*. 15th Ed. Cranbury: Pearson Education, 2015. 692 p. ISBN 10: 0134058496.
- LAKE, L. *Consumer Behavior for Dummies*. 1st. Ed. Indianapolis: Wiley Publishing, 2009. 384 p. ISBN: 978-0-470-44983-7.
- LONE, S. et al. *European Ecommerce Report: 2019* [online]. Ecommerce Europe. Available at: https://www.ecommerce-europe.eu/wp-content/uploads/2019/07/Ecommerce_report-2019.pdf. Accessed 20 February 2020.
- MANKIW, G. *Principles of Microeconomics*. 8th Ed. Boston: Cengage Learning, 2017. 582 p. ISBN: 978-1-305-97149-3.
- MCKENZIE, R., LEE, D. *Microeconomics: The Economic Way of Thinking for Managers*. 3rd Ed. Cambridge: Cambridge University Press, 2016. 640 p. ISBN: 978-1-107-13948-0.
- MIGNON, I., HE, H. *The Impact of Customer Orientation on the Business Strategies*. Linköping: Ekonomiska institution, 2005. 110 p. ISRN: STR-D-05/007-SE
- MOTHERSBAUGH, D., HAWKINS, D., KLEISER, S. *Consumer Behavior: Building Marketing Strategy*. 14th Ed. New York: McGraw-Hill, 2019. 832 p. ISBN 10: 1260100049.
- NOEL, H. *Basic Marketing: Consumer Behavior*. 1st. Ed. Lausanne: AVA Publishing SA, 2009. 176 p. ISBN: 978-2-940-37384-0.

- NIELSEN LLC. *Future Opportunities in E-commerce: market drivers and five-year forecast* [online]. Nielsen Analytics. Available at: <https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/future-opportunities-in-ecommerce.pdf>. Accessed 22 February 2020.
- PARSONS, E., MACLARAN, P. *Contemporary Issues in Marketing and Consumer Behavior*. 1st Ed. Oxford: Butterworth-Heinemann, 2009. 232 p. ISBN: 978-0-750-68739-3.
- PETER, J., OLSON, J. *Consumer Behavior and Marketing Strategy*. 9th Ed. New York: McGraw-Hill Education, 2010. 576 p. ISBN 10: 0073404764.
- SCHIFFMAN, L., WISENBLIT, J. *Consumer Behavior*. 12th Ed. New York: Pearson, 2018. 512 p. ISBN: 978-0-134-73482-8.
- SOLOMON, M. et al. *Consumer Behavior: A European Perspective*. 6th Ed. Cranbury: Pearson Education, 2016. 736 p. ISBN: 978-1-292-11672-3.
- SZATYLOWICZ, K. Ways Retail AI Will Influence Consumer Behavior. 14 January 2019. Available at: <https://blog.crobox.com/article/ai-consumer-behavior>. Accessed 7 March 2020.
- TASKIN, D., MELTEM, C. Profiling online consumers according to their experiences with a special focus on social dimension. *Procedia Social and Behavioral Sciences*, 2011, Vol. 24, p. 401–412. ISSN: 1877-0428
- THALER, R. Mental accounting matters. *Journal of Behavioral Decision Making*, 1999, Vol. 12, p. 183-206. ISSN: 0894-3257.
- VARGA, A., COSAR, C., PANYI, K. Try Not to Be Late! - the Importance of Delivery Service in Online Shopping. *Organizations and Markets in Emerging Economies*, 2017, Vol. 8, p. 177-192. ISSN 2345-0037.
- VARIAN, H. *Intermediate Microeconomics: A Modern Approach*. 9th Ed. New York: W. W. Norton & Company, 2014. 832 p. ISBN: 978-0-393-91967-7.
- VORAMONTRI, D., KLIEB, L. Impact of Social Media on Consumer Behavior. *International Journal of Information and Decision Sciences*, 2018, Vol. 10, p. 1-25. ISSN: 1756-7017.
- WAGNER, S. *Understanding Green Consumer Behavior: A Qualitative Cognitive Approach*. 1st Ed. London: Routledge, 1997. 308 p. ISBN: 0-415-15732-3.
- WOOD, N., SOLOMON, M. *Virtual Social Identity and Consumer Behavior*. 1st Ed. New-York: Routledge, 2009. 248 p. ISBN: 978-0-765-62395-9.

8 Appendix

CONSUMER SURVEY QUESTIONNAIRE

Working on my diploma thesis, I am conducting a survey that investigates consumer decision-making during online shopping. I appreciate if you would take a few moments to complete the following questionnaire. Any personal information obtained during the survey will be kept confidential. Your opinion is very important and will be used to evaluate changes in modern market environment and transformation of consumer

Date: _____

Reference number: _____

Name: _____

Gender: Male / Female

Place of permanent residence: _____

Age: _____

Please mark the corresponding box to indicate just one correct answer to the question

	Statement	Internet	Direct mail	Viber mailing	Television advertising	Newspaper advertising
1	What's your primary information channel for online-purchasing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please mark the corresponding box to indicate just one correct answer to the question

	Statement	Cash on Delivery	Credit card	Debit card	Mobile payment	Cash on Delivery
2	What's your primary payment method for online-shopping?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please mark the corresponding box to indicate just one correct answer to the question

	Statement	Recommendations	Discounts	Urgency	Scarcity	Social feedback
3	What factor accelerate your decision-making in online-shopping?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please mark the corresponding box to indicate just one correct answer to the question

	Statement	Delivery time	Delivery cost	Delivery quality	Traceability	Return procedure
4	What component of e-commerce logistics most influences your decision-making in online-shopping?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please mark the corresponding box to indicate just one correct answer to the question

	Statement	YouTube	Facebook	Instagram	Snapchat	Other
5	Which social media is primary source of information for shopping research before online purchase?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please mark the corresponding box to indicate your level of agreement with the statement

№	Statement	Definitely agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Definitely disagree
6	Do you agree that social media become a key element of online-shopping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Do you agree to receive individualized offers and product recommendations based on consumer profiling?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Do you agree on the importance of shopping research before purchase online?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Is AI-based marketing tools facilitate consumer decision-making in online shopping?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Do you agree on the importance of acquiring product experience before purchasing online?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Do you prefer environmentally-friendly products when purchasing online?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Is trust the main factor that determines your decision to purchase online?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Do you agree with convenience and usefulness of replenishment subscription in electronic retailing industry?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	Do emotional connection with a brand and sense of belonging to community affects your purchasing decision-making during online shopping?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>