

# A Study of Consumer Behavior on Online Shopping Discount Event – Cyber hot Days – in Korea\*

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## 〈Abstract〉

US Retailers consider two major holiday shopping days as their most profitable—the Friday after Thanksgiving, Black Friday, and the Monday after Thanksgiving, CyberMonday. Online shopping discount events have boosted up the shopping markets resulting in pumping up National economy. For such reasons, Korea also has launched online shopping discount event, which is called 'Cyber hot days'. The primary purpose of this paper is to understand consumer behavior on Cyber hot days and suggest how retailers can harness those consumer behaviors and how government agency can support both retailers and consumers to boost up shopping markets.

The results of empirical test shows that economic value, emotional value, and product variety were found to be significantly related to consumers' attitude on Cyber hot days, but convenience value, social value, and product uniqueness were not. Consumers' attitude was also found to be significantly related to the repurchase intention. It implicates that price, enjoyment, and product variety are important aspects to Korean consumers when they purchase during online shopping discount event.

Key Words : Cyber Hot Days, Online Shopping Discount Event, Consumer Behavior, Satisfaction

## I. 서론

According to the data for Cyber Monday and

the holiday weekend overall in 2016, Cyber Monday hit a new record with \$3.39 billion spent online and surpassed Black Friday(\$3.34 billion)[1]. Overall spending for holiday season (from Thanksgiving Day through Cyber Monday) accounts for more than 20% of total yearly consumption in US. US Retailers consider two

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major holiday shopping days as their most profitable—the Friday after Thanksgiving, Black Friday, and the Monday after Thanksgiving, CyberMonday[2]. Sales volume from Single's day online shopping discount event in China doubled US's record in 2016. These online shopping discount events have boosted up the shopping markets resulting in pumping up National economy. For such reasons, Korea also has launched online shopping discount event, which is called 'Cyber hot days'.

Korean government has launched 'Korean Sale festa' to promote domestic shopping and tour market. Cyber hot days is one of various Korea Sale festa events targeting online market. During the period of Korea sale fest, online retailers provide various events and promotions, which is Cyber hot days. It is like black Friday and Cyber Monday in U.S. Even though it is at initial stage, Cyber hot days has received a favorable evaluation that record high sales volume and boost up national economy[3].

The aim of this paper is to understand consumer behavior on online discount event, Cyber hot days. The attraction and retention of consumers is critical to the success of online retailers[4]. Consumers' attitude and repurchase intention on Cyber hot days are examined in terms of consumer's perceived value and product attributes based on prior studies of consumer behavior on online shopping. The result of this study can suggest how retailers can harness those consumer behaviors in terms of marketing and how government agency can support both

retailers and consumers to boost up shopping markets.

## II. Theoretical background

There are more reasons or needs why an individual can decide to go shopping. These reasons or needs are called shopping motivations [5]. Shopping motivation is one of the key concepts in research on consumer shopping behavior and continues to be vividly discussed[6]. Understanding consumer behaviour in online environments is the basic factor to build an effective consumer-retailer relationship structure[7].

The attraction and retention of consumers is critical to the success of online retailers. Due to that, the researches on consumers' acceptance of online shopping have attracted widespread attention. According to the results of existing literature, online shopping motivation can be categorized into 3; 1) perceived characteristics of the Internet as a sale channel, 2) consumer characteristics and 3) characteristics of the product[4]. Among them researchers pay more attention to such factors that affect online shopping usage as benefits of online shopping – consumer value. Therefore, this research also focus on consumer value of online shopping to investigate of consumer behavior on online discount event, Cyber hot days.

## 2.1 Consumer values

Shopping motivations are originally related to the benefits which consumers seek when they buying. Benefits are the desirable consequences consumers seek when they buying products and services. Benefits are the personal value customers attach to the products or service attributes and linked to fairly basic motivation for buying products and services[8]. Consumer value is provided by the complete shopping experience, not simply by product acquisition[9]. Consumer value of online shopping which consumers perceived can be categorized into utilitarian value, emotional value, and social value[10].

Utilitarian value means that consumer purchase products deliberately and efficiently with minimum restricted level[11] and therefore refers to economical value and convenience value[12]. Competitive price is the main success factor of online shopping, especially online shopping discount event provide higher discount rate. Low prices of a product reflect the perceptions of quality[13], underlining that repeat purchases at certain footwear stores do not depend on quality but on price. Customers perceived higher economic value if they purchase products at lower price through online shopping[14-15]. Convenience value refers to non-monetary value experienced when purchasing products such as time and effort saving[15]. Consumers want to be able to shop in an atmosphere that allows for ease in search time, reduction in search costs, and the ability to find products efficiently, therefore

convenience value is also important predictor of online shopping motivations[2].

Emotional value refers to perceived entertainment and joyfulness value provided through online shopping activities[16]. Enjoyment has been found to motivate shopping and has been found to influence attitudes toward shopping [2, 17-19]. Online shopping discount event provide a lot of events and promotions which arouse customers' interest and joyfulness.

Social value include social interaction, reference group affiliation, and communicating with others having similar interests[20]. When purchasing products in online shopping customers often share their experiences about products, and desire for social value plays a role in determining the choice of products, the store etc[15, 21-22].

## 2.2 Product attributes

Product category also may affect the intention to shop online significantly such as product diversity and product uniqueness.

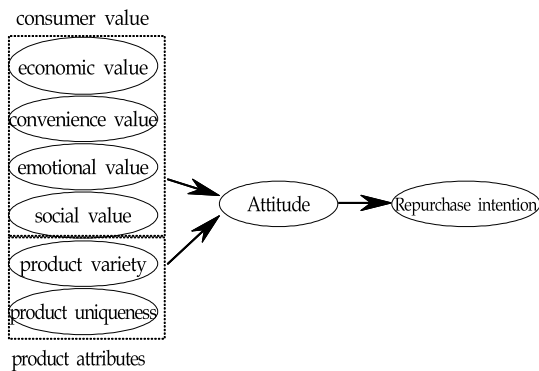
Variety seeking is likely to be a significant motive in the online context[20]. Broad range of products available compared with offline shopping is one of significant predictor of online shopping motivations[4, 14-15]. As many online retailers participate in online shopping discount event, customers can have more options than usual.

Customers also can purchase products which can not be found locally in online shopping discount event[4]. Customers feel satisfaction when they product which can not obtain in

offline and local store, because they have desire for uniqueness[11,23]. Not only broad range of product but also availability of products which can not be found usually in online shopping discount event can result in positive attitude[4].

### III. Research model and hypotheses

The primary purpose of this study is to investigate consumer behavior on Cyber hot days in terms of customer values and product attributes as <Figure 1>.



<Figure 1> Research model

Literature review indicates that benefit of online shopping – customer value - is significant predictor of customer satisfaction and this study, therefore, focus on four customer values(economic value, emotional value, convenience value, social value) to investigate customer behavior on Cyber hot days together with product attributes(product variety and product uniqueness). Based on the above argument following hypotheses are

established as <Table 1>.

<Table 1> Hypotheses

H	Content
H1	Economic value will has a positive effect on customer attitude on Cyber hot days.
H2	Convenience value will has a positive effect on customer attitude on Cyber hot days.
H3	Emotional value will has a positive effect on customer attitude on Cyber hot days.
H4	Social value will has a positive effect on customer attitude on Cyber hot days.
H5	Product variety will has a positive effect on customer attitude on Cyber hot days.
H6	Product uniqueness will has a positive effect on customer attitude on Cyber hot days.
H7	Customer attitude on Cyber hot dayswill has a positive effect on repurchase intention.

### IV. Empirical analysis

#### 4.1 Measure and data collection

A questionnaire was used to collect data for this research targeting the people who have purchasing experiences on Cyber hot days. 418 responses were used as a basis for the findings of this study. 48% respondents are male and 52% are female. When it comes to age, 20's are 13%, 30's are 34%, 40's are 34%, 50's are 14%, and over 60's are 6% respectively, which has good distribution of age.

The instruments measuring the constructs were adapted form the extant literature and revised considering the context of this research. The items were measured on a 5-point Likert scale using form 1(strongly disagree) to 5(strongly agree).

<Table 2> Confirmatory factor analysis

Construct	Items (Buying in Cyber hot days ...)	Factor loadings	Composite reliability	AVE	Cronbach's α
economic value	has an economic value compared with other channels.	<b>0.865</b>	0.903	0.756	0.838
	The price is reasonable.	<b>0.882</b>			
	is economic.	<b>0.860</b>			
convenience value	is easy.	0.809	0.903	0.700	0.858
	makes me save time in shopping.	0.792			
	has a value because it is easy.	0.863			
	make me easy for shopping.	0.879			
emotional value	provides me enjoyment.	0.919	0.908	0.768	0.847
	makes me pleasant.	0.946			
	makes me comfortable.	0.751			
social value	makes me feel a community friendship.	0.879	0.917	0.786	0.881
	makes my favorable impression to other people.	0.871			
	provides me steeze.	0.909			
product variety	is possible to get various products.	0.860	0.889	0.729	0.816
	is possible to get a name brand.	0.899			
	is possible to get the various newest products.	0.800			
product uniqueness	is possible to get a unique product.	0.852	0.927	0.762	0.896
	is possible to get limited edition product.	0.884			
	is possible to get product what other people don't have.	0.914			
	is possible to get differentiated product.	0.839			
Attitude	was satisfied.	0.899	0.913	0.778	0.857
	let me have positive evaluation.	0.898			
	let me think it was good.	0.848			
repurchase intention	I'll repurchase in foreign online shopping discount event.	0.890	0.887	0.725	<b>0.808</b>
	I'll continuously use foreign online shopping discount event.	0.923			
	I'll frequently use foreign online shopping discount event.	0.730			

\*\*\* p<0.001

<Table 3> Correlation matrix and discriminate validity (AVE)

Factor	1	2	3	4	5	6	7	8
economic value	<b>(0.756)</b>							
convenience value	0.442	<b>(0.700)</b>						
emotional value	0.445	0.358	<b>(0.768)</b>					
social value	0.095	0.302	0.131	<b>(0.786)</b>				
product variety	0.469	0.314	0.489	0.050	<b>(0.729)</b>			
product uniqueness	0.191	0.302	0.051	0.332	0.108	<b>(0.762)</b>		
attitude	0.635	0.542	0.447	0.07	0.509	0.213	<b>(0.778)</b>	
repurchase intention	0.575	0.521	0.503	0.194	0.401	0.270	0.675	<b>(0.725)</b>

<Table 4> Results of hypotheses testing

H	Path	$\beta$	t값	Result
H 1	economic value → attitude	0.369	3.794***	<b>Accept</b>
H 2	convenience value → attitude	0.092	0.980	Reject
H 3	emotional value → attitude	0.295	3.557***	<b>Accept</b>
H 4	social value → attitude	-0.096	0.995	Reject
H 5	product variety → attitude	0.197	2.153***	<b>Accept</b>
H 6	product uniqueness → attitude	0.059	0.699	Reject
H 7	attitude → repurchase intention	0.675	11.445***	<b>Accept</b>

attitude R<sup>2</sup> = 0.542, purchase intention R<sup>2</sup> = 0.456

#### 4.2 Measurement and hypotheses testing

SEM (Structural Equation Model) was used for empirical test using SmartPLS. The measurement model results indicate that the model has good construct reliability, indicator reliability, convergence validity, and discriminant validity (factor loadings are all over 0.7, AVE are all over 0.5, composite reliabilities and Cronbach values are all over 0.7) ensuring that the constructs are statistically distinct and can be used to test the structural model as <Table 2, 3>[31-33].

The analysis of hypotheses and constructs' relationships were based on the examination of standardized paths using the bootstrap

resampling method. According to the results as shown <Table 4>, economic value, emotional value, and merchandise variety were found to be significantly related to consumer's attitude on Cyber hot days, but convenience value, social value, and uniqueness of product were not. Consumer's attitude was also found to be significantly related to the repurchase intention. It implicates that price, enjoyment, and product variety are important to Korean consumers when they purchase products during online shopping discount event.

## V. Conclusion

Online shopping discount event like Cyber hot days offer retailers the ability to increase yearly revenue. Even though Cyber hot days has received a favorable evaluation that record high sales volume and boost up national economy, it has several limitations to overcome as its initial stage.

This study examined Cyber hot days in Marketing perspective. That is, this study investigate customer behavior on Cyber hot days in terms of customer values and product attributes. The results of analysis are as following.

Among four customer values economic value( $\beta = 0.369$ ,  $t\text{-value} = 3.794$ ) and emotional value( $\beta = 0.295$ ,  $t\text{-value} = 3.557$ ) was found to be significantly related to the attitude, but convenience value( $\beta = 0.092$ ,  $t\text{-value} = 0.980$ ) and social value( $\beta = -0.069$ ,  $t\text{-value} = 0.995$ ) was not. It confirms that price is the main predictor of online shopping and enjoyment which occurred during while shopping is very important as well. As online shopping becomes one of routines in daily life, however, convenience value is not important as before, and social value felt less important because customer pay more attention to price than other values due to the period and time limitation of Cyber hot days.

In the light of product attributes, while product variety( $\beta = 0.197$ ,  $t\text{-value} = 2.153$ ) was found to be significantly related to the attitude, but product uniqueness( $\beta = 0.059$ ,  $t\text{-value} = 0.699$ ) was not. It implicates that the most important

consideration is purchasing broad range of products cheaply during the Cyber hot days with a set period.

Finally positive customer attitude on Cyber hot days was found to be significantly related to repurchase intention( $\beta = 0.675$ ,  $t\text{-value} = 11.445$ ).

This study aids retailers in understanding consumer behavior toward online shopping discount event and getting much sales volume. Compared usual online shopping online retailers need to focus on 'low price' and provide more events and promotions which can entice during the period of Cyber hot days. It can also provide government agency with practical guideline for supporting both retailers and consumers. It is necessary to provide attractive supporting incentives to promote many online retailers to participate in Cyber hot days such as taxation support.

This paper has the originality and value in that it examines consumer behavior especially targeting on 'Cyber hot days' in Korea. If further study compare with other countries' online shopping discount events, more sophisticated analysis can be done.

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