

Consuming Behavior of Elderly toward Online Shopping in Thailand

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Abstract

This study attempts to study the purchasing behavior online shopping of elderly in Thailand. Elderly confronts several positive and negative aspects in their online shopping. The results of this study revealed that elderly consider the online shopping and their experience to be a positive factor. The respondents in this study must be residents of Bangkok, Thailand at the age between over 60 years old. The numbers of respondents are 250 respondents. The participants in this study are voluntary and anonymity. This study employed convenience sampling to collect data. The survey is expected to be responded by the one who has the experience with the online shopping. The numbers of respondents are 250 respondents. The most average spending for online shopping each time is 500 baths, the payment is made by credit card or debit card. The elderly shoppers have online shopping frequency more than once in a month. They mostly purchase product or service through online once a month for household supply and groceries. Most of elderly consumers have considered when online shopping of how and where they purchase that is comparing price, and low price is the motivation for their purchasing. There are a few problems that elderly customers still have to face while shopping online, and the most problem was reported is that searching a product / service is ranked as the most problem

Keywords: Elderly, Online, Consumer Behavior

Introduction

Electronic commerce (e-Commerce) in Thailand is one of the largest growths in Southeast Asia countries (Potkin, 2016). A crucial factor leading the growth in e-commerce is the support from the government sector, with promotions targeting small and medium-sized businesses (Avirutha, 2017). Thai government expects the value of e-commerce in Thailand to exceed US\$30 billion annually by 2016 (Thailand focus, 2016), as the established national digital economy committee to coordinate policies to foster the growth of the country's digital economy. According to Frost & Sullivan, a research & consulting firm, the e-commerce market started showing solid growth in the Thai market less than four years ago. E-commerce in Thailand is projected to grow by 26.7% from 2019-2024. Specifically, the use of the Internet by older adults is growing at a substantial rate. They are becoming an increasingly important potential market for electronic commerce. Furthermore, the pandemic has hit the economies and consumer behavior also has changed drastically. This especially occurred for elderly consumers who have spent the greater part of their lives in an offline world. However, due to lockdowns and economic instability, they have been forced to change their consumption patterns in a very short period of time (Meiner, 2021).

According to Foundation of Thai Gerontology Research and Development institute (2021), reported that Thailand had a population of 69.3 million which became people who aged over 60 years around 11.16 million or 17.5 percent of the total Thai population. The World Bank (2016) estimated Thailand would be an aging society by growing the seniors to 17 million within 2040. As the number of senior populations is rising every year and will soon to be an aging society. The seniors group tends to be the opportunity target group for e-commerce and any company who want to sell their products online through online shopping in Thailand.

As Thailand is becoming an aging society and the trend of e-Commerce in Thailand is also growing, to better understanding and gaining insight of Thai elderly online shopping perception and behaviors is important since this group will be the majority target customer in the future. Therefore, the purpose of this study is to examine the consuming behavior of the elderly, and gain insightful to determine potential opportunities for e-commerce sector to engage in online shopping during the aging society. This will be benefit to many e-commerce businesses as well to capture this target segment.

Elderly and Online Shopping

Technology, and particularly the internet, has transformed consumer and business behaviors. Many studies over decades found that the older adults were less likely than younger adults to use technology (Mitzner, 2018; Gilly, 1985; Morris, 2000). Age is an important influence on technology adoption. According to Morris (2000), age is a factor affecting the adoption of new technology. Compared to older generations, the younger generations are more strongly influenced by attitude toward the adoption of new technology. Daly and Kitchell (1995) support that the age of the SME business founders is negatively related to technology adoption.

However, an ageing population is impacted by these contextual and operational changes. According to Smith (2018), senior citizens make up 28% of the population that participates in e-Commerce purchases. Additionally, baby boomers make up 41% of the e-Commerce market. These boomers, typically age 65-74, have seen an average 25% increase in their overall income since 2001. More than 50% of the global consumers responding to the June 2021 survey said they had used digital devices more frequently than they had six months earlier (World Economic Forum, 2021). With the outbreak of the new coronavirus and the requests that people refrain from going out, the amount of elderly using the internet is set to increase even faster. The relevance of this study has increased in the context of digital access and digital poverty during the COVID-19 pandemic.

Technology usage and awareness are increasing in the United Kingdom (UK) (internet sales were at 20 per cent of all retail sales in early 2020 and went up to 33% during the COVID-19 pandemic), making it the world's third largest e-commerce market and the most advanced e-Commerce market in Europe (National Statistics, 2020). A huge 75% of adults over the age of 75 use the internet each day, with senior citizens now representing almost a third (28%)

of all ecommerce purchases (Lawrence, 2020). Americans 65 and older rang up an average of nearly \$187 per month online in 2020, up 60% from a year earlier (Anne, 2021).

e-Commerce is a new way of product selling using the Internet, computer networks and mobile application that allow customers, sellers and suppliers to make online business transaction (Fellenstein & Wood, 1999). Competition in the online business is typically high opportunities in the market. e-Commerce is certainly growing and increasingly including both large and small retailers, and the growth of e-commerce platforms such as Alibaba and Amazon are strongly influencing the competitive business environment (Hagberg et al., 2016). One reason that increased the consumers' interesting to shop on e-marketplace is that there are many retailers offering product ranges broader than one store can offer (Kestenbaum, 2017). e-Marketplace platform affects the traditional retail store business processes (Pantano and Viassone, 2015). There are many different types of e-Marketplace based on a range of business models. Theoretically, they can be broadly divided into two categories based on the way in which they are operated, which are vertical e-commerce, and horizontal e-commerce

1. Vertical e-marketplace

Vertical e-marketplace sells products from many sources but they are all of one type. Vertical e-marketplace is business niche where the vendor serves a specific audience and their set of needs. Typically, vertical e-marketplace relies on being able to sell the product better. Since they focus on one, or few, product categories, they are able to underline the user experience in a way that highlights the special features of the product category.

2. Horizontal e-marketplace

Horizontal e-marketplace sells products of many types but they all share a characteristic. Consumers can view the products from different retailers or sellers all together and at the same time in the same app. Furthermore, the application features are able to focus on a type of customer and offers them multiple products across many types of retailers.

Customer Decision Making

Customers start searching information before making a decision to purchase product or service. Customers have evolved and no longer make purchasing decisions in a linear approach; they enter at various points, which are dependent on their first engagement with the brand, product research or word of mouth from their online society (Powers et al., 2012). The five-stage consumer decision making process was first introduced in 1910 by John Dewey (Bruner & Pomazal, 1988), and include: problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behavior. Problem recognition is the situation when the consumers recognize their problems and what products to buy to solve these problems. When consumers are not satisfied with the product they have bought or the stored product has been used up or expired, the consumers will search for more information on the

products, they will need to buy in the future. This condition complies with Kotler and Keller's (2009) and Hawkins and Mothersbaugh's (2013) found that recognition of problems of the consumer brings about their search for information on the product to be purchased. Recently, many consumers refer the product or service evaluations in reputation information (Cui, Lui, and Guo, 2012).

Online shoppers are more likely to search for product information. According to Bellman, Lohse, and Johnson (1999), the information search on the Internet is the most important predictor of online shopping behavior. Online consumers are spending time to get product information before they made a purchasing decision (Ward & Lee, 2000). Typically, with online shopping, consumers think that attractive factors are comparing price and wider choices. In a current study, consumers compared the price and brand of products through the different websites (Ray, 2007). Moreover, Donthu and Gracia (1999) find that online shoppers are economic shoppers, which are price and quality concerned, because they are usually looking for inexpensive products with excellent quality, and they are sensitive to the price of the product. Online shoppers tend to be influenced through certain channels over time among members of a social system (Rogers 1995). Consumers are likely to rely on robust content, such as ratings, reviews, and recommendations. Moreover, when consumers pay attention to others reviews and recommendations, learning takes place, which may become valuable and helpful in their decision making.

Research Methodology

The research design is drawn from quantitative research methodology. The survey is used to establish a baseline on the study of consuming behavior of elderly toward online shopping in Thailand. The respondents in this study must be residents of Bangkok, Thailand at the age between over 60 years old. The numbers of respondents are 250 respondents. The participants in this study are voluntary and anonymity. This study employed convenience sampling to collect data. The survey is expected to be responded by the one who has the experience with the online shopping. To establish the reliability of standardized tests, Cronbach's alpha coefficient is used to analyze all the scores on individual items, and all aspects are met at the 0.7 level. Descriptive, frequency, percentage distributions, means are used to describe and report the information collected affecting to individual variables and demographic information.

Results

A total of 250 usable questionnaires are obtained. The results show the distribution of usable responses by gender; consist of 146 males (58.4%), and 104 females (41.6%). The respondent response by age; 77 (30.8%) respondents report their age to be between 60-65; 62 (24.8%) respondents report their age to be between 66-70; 73

(29.2%) respondents report their age to be between 71-75; and 38 (15.2%) respondents reports his/her age to be over 75.

Table 1 shows the average spending for online shopping each time. 36.8% report that they spend less than 500 baht each time for online shopping; 29.6% report that they spend 501-1,000 baht each time for online shopping; 21.2% report that they spend 1,001-2,000 baht each time for online shopping; 5.6% report that they spend 2,001-3,000 baht each time for online shopping; and 6.8% report that they spend over 3,000 baht each time for online shopping.

Consumers have considered the ways of making payment for their online shopping. Credit card or debit card are ranked as the most used online shopping payment method with a rate of 45.2%. Cash on delivery is ranked as the second most used online payment method with a rate of 29.6%. E-banking / mobile banking come at next as a used online payment method with a rate of 20.8%, followed by ATM (2.8%).

The table 1 also shows the frequency online shopping. 4.8% have online shopping frequency once in three to six months; 18.8% have online shopping frequency once in three months; 24.4% have online shopping frequency once a month; 38.8% have online shopping frequency more than once in a month; 12.4% have online shopping frequency every day; and 0.8% have online shopping frequency more than once a day. Approximately 29.2% of consumers have shopped online for household supply / groceries, followed by food and beverage (27.2%), home improvement (12.8%), vitamin and supplement (9.2%), computer electronic / appliance (8.4%), apparel and accessories (8.4%), and cosmetic (4.8%).

Consumers have considered when online shopping of how and where they purchase that is comparing price (39.6%), followed by comparing sellers (25.2%), reading reviews (22.4%), and asking questions (12.8%). Most consumers find low price is the motivation for their purchasing (20.4%); 17.2% report that promotion / coupon is the second reason to online shopping; followed by convenience (16.4%); shipping and delivery (14.0%); seller's responding to questions (12.4%); recommendation (10.8%); and influencer / reviewer (8.8%).

There are a few problems that elderly customers still have to face while shopping online. Searching a product / service is ranked as the most problem found with a rate of 38%. Product quality issues are ranked as the second most problem online shopping with a rate of 26.8%. poor logistics and delivery come at next as a problem online shopping with a rate of 25.6%, followed by unclear information of product (7.6%), and hidden fee / additional charge (2%). Lastly, the overall of their satisfaction on their online shopping experience at the satisfied level with the mean of 4.23.

Table 1 Frequency Distribution of Respondents by Online Shopping Behavior

Shopping Behavior		Frequency	Percentage
Average social shopping spends each time	< 500	92	36.8
	501-1,000	74	29.6
	1,001-2,000	53	21.2
	2,001-3,000	14	5.6
	> 3,000	17	6.8
Payments	Credit card / Debit card	113	45.2
	Cash on delivery	74	29.6
	E-banking, Mobile banking	52	20.8
	ATM	7	2.8
	Others	4	1.6
Online Shopping Frequency	Once in three - six months	12	4.8
	Once in three months	47	18.8
	Once a month	61	24.4
	More than once in a month	97	38.8
	Everyday	31	12.4
	More than once a day	2	0.8
Product	Household supply / Groceries	73	29.2
	Food and beverage	68	27.2
	Home improvement	32	12.8
	Vitamin and supplement	23	9.2
	Consumer electronic/appliance	21	8.4
	Apparel and accessories	21	8.4
	Cosmetic	12	4.8
Prior to purchase	Comparing price	99	39.6
	Comparing sellers	63	25.2
	Reading reviews	56	22.4
	Asking questions	32	12.8
	Low price	51	20.4

Reason to purchase	Promotion / Coupon	43	17.2
	Convenience	41	16.4
	Shipping and delivery	35	14.0
	Seller's responding to questions	31	12.4
	Recommendation	27	10.8
	Influencer / Reviewer	22	8.8
Problems of online shopping	Searching a product / service	95	38.0
	Product quality issues	67	26.8
	Poor logistics and delivery	64	25.6
	Unclear information of product	19	7.6
	Hidden fee / additional charge	5	2.0

Conclusion

This study highlights the purchasing behavior online shopping of elderly in Thailand. Elderly confronts several positive and negative aspects in their online shopping. The results of this study revealed that elderly consider the online shopping and their experience to be a positive factor. The most average spending for online shopping each time is 500 baths, the payment is made by credit card or debit card. They mostly purchase product or service through online once a month for household supply and groceries. They have considered when online shopping of how and where they purchase that is comparing price and additional discount or coupon. However, they have some negative experiences while shopping online, which they have a trouble to find what they are looking for. It occurs during searching the product or service, and difficulties in finding product or service information.

According to the finding, elderly shoppers compare the product price before making purchasing decision as well as promotion or coupon for an extra discount. Additionally, they carefully ensure on the product quality especially the product with high quality and good value. If customer got a good experience with a product for the first time, they would do in trust with the retail and might be changed to the next repeat customers. The customers know more about the online products' information; it would increase the understanding and willingness for customers to shop online.

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