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FACTORS THAT INFLUENCE IN THE BUYING DECISION THE FINAL INTERNET CONSUMER IN THE AREA OF MEXICO CITY

OF

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ABSTRACT

The present investigation has the purpose of identifying the factors that influence in the buying decision of the final Internet consumer in the area of Mexico City. The instrument used was a questionnaire applied to 426 people of the area of Mexico City with a confidence factor of .95 and a sample error of .05. The present investigation was realized as a marketing thesis and the results shown in this investigation are the final results from 426 questionnaires. We identify factors that make people take the decision of purchase via web, this is because they don't have culture of using the internet and they don't trust the system. It is easier to buy products the traditional way than making a little effort and try new things.

Keywords: Internet, e-commerce, influence, technology, mass media, factors, Internet,

INTRODUCTION

There are many forms of communication that exist nowadays all around the world and the information that comes with them is so much and so different, that for the consumers, it's not hard to obtain information in a fast and easy way. Anything can impact their minds at the moment they receive it.

Media like radio, press, television offer a lot of options and plans for getting products and information. The problem that the consumer has is not the amount of information he or she receives; but the fact that the information is the one that interests them and satisfies their necessities.

The Internet plays an important role these days. This is because the consumer can travel through a lot of markets around the world without any barrier. The access to the information is almost immediately. All the information that the Internet offers from other countries around the world can get to any consumer with just one click. For these reasons we notice that the Internet makes the searching easier for more consumers.

Data available in 1999 said that there were almost 7.1 million sites. But Robert H. Zakkon of the Internet Society said that a year before the number of web sites was 2.8 million, which means that in just 12 months the amount of sites grew 252%. In 1990, there were 22 nations with Internet access, and UNESCO says that nowadays there are 217 countries with some kind of connection. [Expansión February 16, 2001, Year 2001, Num.782]

Each day, more people get closer to the Internet with the goal of satisfying their necessities and interests. They search for more information about different issues like: movie schedules or products to buy or as a matter of fact any information easy and fast to get. They can get it saving them some time. People do not need to have a computer, what they want is the information and how fast can they get what they want. Then e-business has gained a lot of importance in these days because it saves time.

The web has reached in four years 50 million users compared to other forms of communication like radio, which took almost 38 years to get this number of users, or T.V. , which needed 13 years to reach that amount of viewers. [Expansion February 16, 2001, Year 2001, Num.782]

The value of the market with access to the web, reached the 320 MUSD and by the end of the year 2001, analysts expect a growth of over 444 MUSD what represents an increment of 39% compared to last year. [Select IDC; October 2000]

The numbers show the impact that Internet has have is positive. Each day more people are aware that it exists and everyday there are more users. But what are the reasons of the consumer to use Internet as a tool to get information or as a media to buy products.

In this investigation, we will focus on the factors that influence the consumers in Mexico City when they decide to buy through the Internet.

The specific objectives will be:

- Obtain statistics of Mexico City market that has access to this media and find out which is the segment of the market that uses it the most.
- Identify which are the factors that consumers consider to use the web.
- Identify the factors that influence the Mexican market to buy products or services on line just use the internet as an information media.
- Observe the role of Internet in Mexico, with the consumers point of view.

The interesting section of this investigation are the results where we will be able to observe how people use this media and if they really buy via web or just use Internet for getting information.

As the world grows very fast due to all the technological advances that occur day by day, the future of Mexico depends in the companies being always ahead of every theme, and always looking for their consumers. With this paper we will obtain a global vision of what the consumer thinks about electronic commerce in the area of the D.F.

This investigation will help all the business people who think of the Mexican consumer as the most important part of their business lives because they will see and analyze the feeling of the consumer towards the Internet.

THEORY USED FOR THE INVESTIGATION

For the investigation a previous research was made, starting from what a market is, the elements which conform a market and everything that includes it as well as the consumer behavior.

The “market” can be defined as the place where the exchange between seller and consumer takes place and where they participate in a negotiation because each of them has evaluated the probability that the other can fill their necessities. [Publicidad y principios y Prácticas , 1996, Wells Williams, Burnett John, Prentice Hall, Third Edition, 947 pp]

There can be different types of markets as the ones where people buy products and services to a company, markets where companies buy directly to other companies or the ones that we often call intermediaries where sellers buy wholesale and sell retail.

Around the world there are millions of people with different values and traditions. Although this affects the process of buying the common thing among them permits the marketers to influence their will of buying. But it doesn't matter how many they are because the majority has a lot of things in common which permit the marketers study them, identify each one and make their strategies so that they can influence in their way of buying.

The word “consumer” is understood as the person or people that buy a product with the finality of satisfying their necessities. There are two types of consumers: the ones that look for the product and the ones that already have them and they use them. They are totally different because each of them has different needs.

But how does the consumer respond when the information is presented to him? How does he take the decision of buying the product or not buying it?

“Consumer behavior” is defined as the study of how the people take decisions to spent their resources as money or time in different kind of products. This includes what, when and why they take these decisions and where they make them. [Hawkins Roger, 1994, Comportamiento del Consumidor, Editorial Addison Wesley Iberoamericana, 5ta. Edición, Impreso en E.U]

With the main purpose of understanding the consumer behavior towards the purchase, we have to say that there must be a good communication between the consumer and the seller at the time where the action is made with the purpose that the goals are achieved. For example if the seller does not offer the product to the consumer specifying all the benefits that it has, probably the consumer does not get interested in the product and will not purchase it.

There are several steps that a consumer has to pass before buying a product:

- **Recognizing the necessity:** This occurs when the necessity of a product is recognized. We have to mention there can be a total different necessity in what the consumer finds and in what he thinks he really needs. And this is what marketing is all about waking up this desire so that he feels he has to buy it.
- **Searching for the information-** This section refers to the informal search of the information, like reading papers or watching adds or the search can also be in the mind of the person when he makes a recount where he found what kind of information.
- **Evaluation and comparison:** This phase is where the products are compared including their characteristics and the list of advantages and disadvantages is reduced.
- **Taking the decision-** After evaluating all the decisions and the need for the purchase is present. Some reasons that people have to buy the product are the commodity of the place where they will buy the product, the price, and the variety of the product among others.
- **Evaluation of the decision after the purchase-** After buying the product, the consumer analyzes if he or she received all the benefits that they were expecting and they analyze if the factors that influence him, affect of modify their way of being.

There are different factors that affect the way of how the consumer processes the information at the time where he is buying a product or service.

Psychological Factors	Personality, perception, Motivation, attitude and education.
Social factors and groups	Culture and subculture, social status. reference groups, family and home.
Situational factors	What, how, when, and why is the reason the consumers buy.
Information	Commercial and social sources.

After this theory we now know who the consumer is and how does he behave during the process of purchase. Also we know that there are different factors that influence the behavior of the consumer.

For the investigation, we will focus on how the consumer

buys through the Internet. So now we will describe what the Internet is, what electronic business is, the different ways in which commerce through Internet can be made and how marketing works via web.

Internet is defined as a web of computers reaching whichever part of the world they want. The web started as a small part of the Internet and has grown a lot since its beginning. As Negroponte [Negroponte Nicholas (1995) *Being Digital*, New York: Vintage Books] said that an easy way to understand Internet is to observe how it works and the technology that it supports.

The Internet includes all what is to move a bit from one place to another. The bits are necessary to form bigger blocks of information, starting with letters, words and graphics. And here is where a new marketing scenery is formed where electronic commerce and advertising are.

The web has become an important part of the marketing mix, helping as a scenery of showing new products as a new channel of distribution.

Internet is like television, able to support and transport ideas to the receptor with images and audio but here the level of interaction that it has with the user is a lot more. Internet can personalize messages and decide what information has to be sent depending on each consumer.

The use of Internet in the plans of communication in a company helps the reduction of costs in the actions of marketing. Marketing in the web simplifies the process between the company and the client, making faster the response of the consumer. The cyberspace does not have schedules and it can be used at what ever time the user wants.

To define e-commerce or electronic commerce we can say that it is: any activity of commercial exchange that takes place in an electronic medium. [De la Rica Enrique, 2000, *Marketing en Internet y e-business*, Anaya Multimedia, Impreso en España, 400pp.] There are two types of goods that the e-commerce uses: tangible products or digital services.

The electronic commerce has become a reality in Mexico. The majority of the companies use it as a new commercialization channel to maintain themselves in a competitive segment of the market.

When we talk about digital companies we know that they use the Internet as an infrastructure to do commercial transactions. It has a new innovative proposal and it is focused in the consumer. They also offer products and services.

The e-commerce takes place between different sellers and consumers that work in virtual environments and realize their work depending their necessities.

B2C (Business to consumer): electronic commerce destined to sell products and services to the final consumer.

The companies that commercialize products can be the retailers or the manufacturers.

B2B (Business to business): Also known as electronic commerce between companies

Now that we know how the electronic commerce works and what it includes, we will talk more about the Internet and the relation that it has with the consumer. Each time that each of the consumers visits any web site, their first objective is to find something new, original and very creative that fills their expectations.

The first perception that the consumer has from the site will be the image that the consumer will have from the company. The web represents a great opportunity for all the companies to impact on their clients.

There are different kinds of users in the Internet:

- **Consumers** that have own interests and that search for their own access to information and personal products.
- **Occupational consumers**- they pay for their own access to the web but the main reason that they search for information is for work or for investments.
- **Corporate users**- they access the web for the only purpose of their work to investigate or download software.

It is important to mention that a consumer can have any of these characteristics.

As you read before, we mention the phases in which the final consumer has to go through when he or she buys a product in a traditional way:

- Recognizing the necessity
- Searching for information
- Evaluation and comparison of the product
- Buying decision
- Evaluation after the purchase.

We can observe that the steps are very similar in the process of buying a product via web. The goal in the searches of the consumer behavior does not depend in the costs of the product only, it also depends in the quantity of information that it offers and how it is presented.

We must consider that consumers pay more attention to any other media and also to their privacy when they are on-line.

They take care of four important things:

- **Price**- the purchase is cheaper than in the traditional way.
- **Variety**- The amount of products that it exist in the web.
- **Convenience**- Time, location
- **Entertainment**- Buying via-web is a lot more fun than doing it in the traditional way.

METHOD

The investigation is classified as no experimental transversal and descriptive, because the variables were not manipulated, they were just investigated as they occurred in their natural habitat reconstructing a reality of the observed.

The people that we observed were: teenagers, young adults, adults and mature adults who live in the D.F. and are between 15 a 60 years old and live in an economic class A/B and C+ with access to the Internet.

SAMPLE OF OUR INVESTIGATION

To know how many questionnaires would have to be answered in Mexico City we took information from the book "Libro Mercadológico de la Megaciudad de México of 1998" and we planned the size of our poll observing the following:

- Mexico City has more than six million people organized in 16 Delegations from all economic classes,
- We did not include classes C, D+ and D because they do not have the level of education and the salary we required for the investigation, leaving only classes A/B and C+.
- From the 16 delegations, we included only the ones that had both economic classes at the same time, leaving only six.
- From those Delegations we obtained the number of suburbs each of them has classified in each economic class and the total of habitants was 2,446,159.
- To obtain the total of questionnaires we used the following data:
 1. Trust factor- 95%
 2. Sample error= .05
 3. Value of $p = .5$
 4. N is the universe = 2 446, 159

We obtained a total of 384 questionnaires, to the total we added 11 percent to include a marginal error to get a sample of 426.

INSTRUMENT USED DURING THE INVESTIGATION

Thinking that the most important part of our investigation are the polled, we thought that we needed to take the necessary time with each one asking them several questions. That's why we decided to organize a questionnaire and ask in a direct way to each one the questions, observing their reactions. Most of the questions were boolean and just a few of them were open.

ANALYSIS.

The following section of the investigation shows the results of 426 questionnaires out of the 426 applied in the zone of Mexico City in June 2001. To make easier the process of analysis the data was grouped in seven areas which are the following:

1. Personal information of the people that answered the questionnaire,
2. Perception of the mass media,
3. E-commerce,
4. Uses of the web,

5. Access to the Internet service,
6. Technological fashion,
7. Marketing in the web,

1. Personal information of the people that answered the questionnaire.

This area includes the profile of the people that was surveyed, including sex, age and civil state.

- Forty six point three percent of the surveyed were female and 53.7 male.
- The ages of the people were: 45.7 percent between 20 to 34 years old, 35.5 percent between 35 and 59 years old, 20.2 percent between 15 and 19 years old and only 6.4 were over 60 years old.
- Fifty point nine percent of them were single, a 37.7 percent married, 9.8 percent was divorced and only 1.5 were widow.

2. Mass media

In this section we obtained the perception that the polled has from the different media in the area of Mexico City. Also to discover which media has the preference at the time of using it and what is the use that each one has.

- Forty six percent answered that television was the media that they used the most, followed by radio with a 30.7 percent and the Internet with a 19.6 percent.
- The 67.8 percent of the people consider that television is the media that they identify the most with entertainment, followed by Internet with a 14.1 percent and radio with an 11.7 percent.
- Newspaper is the media that is identified as the one that offers information with a 27.3 percent, Internet with a 26.7 percent and television with a 26.4 percent.
- Internet represent the media which the people think that offer more education with a 42.3 percent, television with a 25.5 percent and the newspaper with 13.5 %.

3. Access to the Internet service

In this section it will be represented the total people that has access to the Internet and the places where they access.

- Eighty point four percent of the people have access to the Internet and a 19.6 does not.
- Eighty three point one percent have a computer in their house and 16.6 percent do not.
- Sixty two point six percent access to the Internet through their house, 11 through their work and three point four percent through an Internet café.
- The 31.1 percent of the people that access to the web do it from 2 to 5 hours, 25.8 percent from 5 to 10 hours and 21.2 percent access to the web 1 hour at the most during a week.
- Sixty one percent of the polled think that Internet is slow.
- Twenty percent of the people that do not use the web, is because they do not know how to use it, 22

percent do not know Internet, 20 percent because they do not think its interesting

4. Uses of the web

In this area the uses that people give to the Internet will be found.

- Fifty percent of the polled use the web to check mail sites, 27.6 percent use it to get general information and 20.2 percent use the web to get information for work.

5. E-commerce

In this area we will find the characteristics of the people that have purchased products via web as well as the factors that influence on their buying when they use the internet service. We will also be able to identify reasons which people don't buy products via web.

- Seventy nine point eight percent have not purchased products in the Internet and 20.2 percent has bought products in the web.
- People that have bought in the Internet 31percent are female and 69 percent are male.
- The percentage of people that buy in the web: 34.4 percent are from the delegations of Miguel Hidalgo, 27.6 from the delegation Coyoacán and 24.1 from the delegation of Alvaro Obregón.
- The people that buy through the web, 62.1 percent are between the 20 and 34 years old, 31 percent are between 35 and 59 years old and 6.9 percent are between 15 and 19 years old. There is no one over 60 years old that buys via web.
- People that have bought via web all of them have access to the Internet in their homes.

5.1 People that have bought

- Forty percent have bought once, 25.5 have bought twice, 3 times a 16.4 percent and four or more times a 18.2 percent.
- People that have purchased products via web have gotten software in a 32.7 percent, books in a 23.6 percent, and CD's in 10 percent.
- The factors that have influenced in the decision of buying are the price of the product and the access of the product in a 58.2 percent, time of response in a 14.5 percent and confidence in a 20 percent.
- The main factor that influence female are: 50% the easy access to the product, 20% the forms of payment and with a 10% each the trust and the price of the product.
- The main factors that influence in male are: 47.1 percent the price of the product, 23.5 the easy access to the product, 11.8 the easy way to purchase and the payment forms, confiability and to see the product has 5.9 each.
- Fifty percent say that they have not received anything for their purchase after they bought the product. And 37 percent have recieved different kind of promotions.

5.2 People that have not bought via web

- From the people that have not bought via web, 61.7 percent say that they wouldn't buy via web and 36.7 percent say that they would.
- Thirty point three percent say that they would buy software, 17.3 percent would buy books and 11 would buy presents.
- Five point nine percent say that they wouldn't pay services via web or buy food.
- Trust is the number one factor that makes people not buy products via web with a 30.3 percent, with a 12 percent people do not buy because they prefer to see the product instead of just looking at it the computer. Ten point six percent of the people don't buy because they feel that it takes to much time to receive the product after the purchase.
- Seventy seven point two percent don't buy via web because they think that people will take money from them.

6. Technological Fashion

In this section we will obtain data to identify if Internet is only something that the people uses because they need it or just because it is a fashion.

- Fifty seven point three percent of the people are alone when they access the web, 29.4 percent access the web when they are with work companions and 22.6 percent access to the web with their friends.
- The 35.8 percent talk to friends when they use the web, 26.3 eat when they surf the web and the 21.7 listen to music.
- The people that buy are alone when they use the Internet in a 72.4 percent, 20.7 say that they are at work when they use the Internet.
- Forty four point eight percent of the people that buy visit email sites, 17.2 visit sites where they can download software and 13.8 visit music sites,

7. Marketing in the web

- Sites that people visit are in a 42.2 percent of e-mail, 24 music and 12.9 sites where they download software.
- Eighty one percent think that nobody makes money in the web.
- Fifty eight point six percent think that developing strategies on line is expensive

CONCLUSIONS

After evaluating all of the results obtained in the investigation its interesting to mention that from the polled the proportion between male and females was almost the same.

This helps us to observe that our results will be equilibrated. The ages of the people were between 20 to 59 years old. Fifty point nine percent of the polled is single and a 37.7 married.

With the investigation we obtained that television is the most frequent media used in Mexico City, followed by the radio and the Internet. The people think television presents entertainment at the most. But Internet is considered by them as a media which educates everyone that uses it.

Talking about the media the people think offers more information, is the newspaper. The important fact is that there is just a small difference between newspaper, Internet and TV, less than one point of the data, which means people search for information in one of these media. But a question here, could be what kind of information people get from each media.

The use that people from Mexico City give to the Internet is basically visiting email sites, obtaining general information and information for work.

Eighty point four percent of our sample has access to the web and almost every one of these people has a computer in their home, the results show that it is less than one point the difference.

This is important because we can see that technology in Mexico is getting everywhere and its becoming part of the life of everybody.

The results show that not a lot of people buy via web in Mexico City, 79.8 percent of the sample has not bought through the web and from this percentage, 61.7 percent say that they still would not buy because of the confidence they have in the different sites and because they say they prefer to buy the product the traditional way where they can see it and verify the quality.

Also seventy seven point two percent of the people do not buy products because they think people will take money from them.

Here we can ask to ourselves if the companies are really going to take money from them or if it is just a myth which people in México City think. Either negative or positive the answer, it influences in the purchases via web.

From the people that buy via web, there is not a lot of difference between the interests that the male and female have.

Male people like to find a good price and an easy access to the product. The females like also the easy access of the product and an easy way to purchase it.

Almost all the people that have bought say that they usually are alone and they listen to music when they use internet or when they make some kind of transaction.

Just 35.8 percent talk to friends when the purchase or use the web. Here we observe that probably they are not influenced in the moment by some people or friend, but as most of them use the television so much, probably the influence from the

media affects them in which product to buy or which site to visit.

To conclude the investigation we identify factors that make people take the decision of purchase via web and the factors people say why they don't buy products.

Most of all the people polled, use or have access to the technology to get information, but they do not consider internet a media to buy products.

Probably this is because they do not have culture of using the internet in this aspect and they do not trust the system. It is easier to buy products the traditional way than making a little effort and try new things.

This is where the marketers have to stop and think about their consumer, their interests, their habits and decide what route they have to take to get to the consumer.

Nowadays we are leaving a time of life that the information travels really fast and the consumer absorbs most of it. Most of the times, business people don't stop and think about the consumers and they only plan on what they see in other media or other countries.

If a company want to be successful the first and most important thing that they have to do is think about who is their client and what their needs are. So that they work for them and offer them what they really want.

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