Marketing Bachelor Thesis

Search Behaviour

High involvement search behaviour

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Business Studies

MANAGEMENT SUMMARY

Throughout history people have always sought information in order to make informed decisions. Questions ranging from where to hunt, what is the best place to live, what activity is the most fun and what product should be bought. The latter has become more and more important to marketers over the years and consequently much research has been devoted in order to be able to answer that question. In order to do this various fields have been researched and these different angles have provided interesting conclusions. However, an all-encompassing view is far from present.

In order to help answer that issue, this thesis will try to answer to following question: "*How does search behaviour for high involvement products in conventional retail channels differ from search behaviour in e-Business and what are the implications for marketing strategies?*". To answer this question various aspects have to be considered. First, search behaviour needs to be described. Secondly, a clear description of what a high involvement product is, and what it entails, needs to be made. Based on this knowledge an analysis can be made concerning what factors influence search behaviour for a high involvement product in a conventional, and in an e-Business channel. Subsequently, it can now be derived what aspects matter, and how they differ between the channels.

From these questions various conclusions can be drawn and recommendations can be made. The level of involvement tends to play an important role in the decision process; the more involved, the greater the search, in either conventional channels or e-Business channels *(Laurent & Kapferer, 1985)*. In addition, the level of expertise of the consumer exerts an influence and, in an e-Business channel, educating the customer might prove advantageous *(Forsythe & Shi, 2003)*. In an e-Business channel make the source as personal and interactive as possible, social media provide interesting opportunities for this field *(Klein & Ford, 2003) (Sun, Youn, Wu, & Kuntaraporn, 2006)*. The use of branding is only appropriate in some situations and when viable should be a multi-channel approach; both conventional and e-Business channels it should be used *(Degeratu, Rangaswamya, & Wu, 2000; Doherty, 2006)*. Moreover, pre-decisional constraints should always be taken into account when investigating consumer search behaviour *(Bettman, 1986)*.

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1. INTRODUCTION

1.1 Background

In order to fully understand why a consumer buys a product one must first understand their search behaviour *(Solomon, Marshall, & Stuart, 2006)*. Various theories exist why people buy products, and different approaches are needed for approaching consumers with each of these different reasons *(Ratneshwar, Mick, & Huffman, 2000; Tauber, 1972; Arnold & Reynolds, 2003)*. Hence, understanding these motivations and the accompanying processes, and as such their search behaviour, is a crucial step in selling your product.

In order to constrain the size of this research a distinction is made. Namely, the difference between a low and a high involvement product. This research will focus on high involvement products. In short, a high involvement product is a product that sparks much interest from the consumer *(Zaichkowsky, 1985)*. The stakes are relatively high and the consumer requires extensive amount of information to make an informed decision *(Grant, Clarke, & Kyriazis, 2010)*. Consequently, the search behaviour for this consumer is quite extensive. Later in this thesis further elaborations will be made.

In addition to differences in the core reason why consumers shop, there is a difference between shopping through conventional retail channels, and the more current development of e-Business channels. Although research has been done concerning this subject, there are still a significant amount of fields left to research. Due to the nature of this volatile market *(Boudreaux & Sloboda, 1999)* and the fact that this is a relatively fledgling market, significant differences in search behaviour occur. Recent literature has also shown that there might be a shift in consumer preferences due to the e-Business channel *(Dussart, 2001)*. Hence, in order to cope with this change in market one needs to understand these differences and additional research is necessary.

1.2 The problem statement

The previous chapter mentions different issues concerning search behaviour. In order to fully encompass all these aspects the following problem statement has been constructed:

How does search behaviour for high involvement products in conventional retail channels differ from search behaviour in e-Business and what are the implications for marketing strategies?

Research Questions

1. *What is search behaviour?*
2. *What is a high involvement product?*
3. *What factors influence search behaviour for high involvement products in conventional retail channels?*
4. *What factors influence search behaviour for high involvement products in e-Business channels?*
5. *What are the differences and similarities between conventional retail channels and e-Business channels for high involvement products for these factors?*

1.3 Academic relevance

Much research has been done about search behaviour in conventional retail channels. A substantive number of this research concerns subjects relating to why consumers search and what influence involvement plays in the buying process.

Every time a consumer buys a product he or she goes through a process, the so called decision making process *(Solomon, Marshall, & Stuart, 2006)*. It starts with reasons why consumers buy, ranging from goal achievement *(Ratneshwar, Mick, & Huffman, 2000)*, to no specific need for a product at all *(Tauber, 1972)*, to the need for entertainment or recreation *(Arnold & Reynolds, 2003)*. After that the stage follows that is of the most interest to this thesis, the search for information *(Gao, 2005)*. The final stages are of less interest here.

It is widely accepted that in the second stage involvement plays a big role *(Laurent & Kapferer, 1985)*. Especially since the 1960's much empirical research has been done relating to involvement. Involvement is a hypothetical construct concerning one's motivation and goal setting and makes the consumer emotionally involved *(Rothschild, 1984)*.

In recent days, the uprising of the internet presented researchers with a vast amount of new research to be done. For example, because of the wealth of information available one could argue the consumer now has the advantage over the seller *(Armstrong, 1999)*. Hence, it is argued that the internet will lead to better decision making on the consumers end *(Peterson & Merino, 2003)*. As such, it is a highly interesting field to study, and much of research has been completed in recent years.

In short, all this specific research provides interesting conclusions and additional subjects to elaborate further upon. However, when taking a broader look at the previously mentioned fields, a clear overview is missing. Hence, combining all these issues presents a gap in literature and calls for further research.

1.4 Managerial relevance

As stated in the background, understanding why consumers buy products and what process they undergo while searching information is of the utmost importance. Especially in the e-Business channel, where managers cannot rely on their experience due to the fact that the rules of doing business have changed *(Dussart, 2001)*, understanding this is vital. Without this information managers would be in the dark where advertising would be best used, and what actions should be avoided.

Literature shows there are various differences in search behaviour between offline and online channels. For example, consumers have different goals when shopping offline compared to online and the situation in which products are bought affects the consumer's attitude towards the product *(Quester & Smart, 1998)*. In addition, brand loyalty seems to be of a greater importance in e-Business channels than in conventional retail channels *(Degeratu, Rangaswamya, & Wu, 2000)*. Other literature presents results regarding the goals of consumers' searches for information, understanding these provides valuable information on how to present a firm's marketing *(Rohm & Swaminathan, 2004)*. Other questions that could be answered concern whether or not to sell the product online, and where to advertise, solely internet or a combination of conventional marketing with the internet *(Dijkstra, Buijtels, & Raaij, 2005)*. Here managers have to understand that the internet changes the advertising from "one to many", to "many to many" *(Hoffman & Novak, 1996)*.

In addition, through involving only high involvement products a more specific view is created that is most appropriate for numerous companies. For example, research performed in the wine industry shows that the level involvement is even more important than the country of origin of the wine. An aspect that usually plays a big part in the consumers decision process *(Lockshin, Spawton, & Macintosh, 1997)*.

In short, this research will help managers of both the conventional retail channel and the e-Business channel understand how consumers search. It will show that differences are present and various ways of searching occur. Consequently, this will help managers not to copy strategies from the competitor blindly when he does not sell in the same channel. It will help managers determine how the buying process progresses and help them find new opportunities for marketing strategies.

1.5 Structure of the thesis

In order to answer the main research question first some theoretical definitions have to be made. Chapter 2 explains the concept of search behaviour, tries to elaborate on its essence and a general model is presented. Chapter 3 concerns involvement. It explains the different kinds of involvements and clarifies its importance. The following 2 chapters then describe what factors influence search behaviour in a conventional channel, and in an e-Business channel. Chapter 6 then compares these findings and provides an overview of the findings. In chapter 7 conclusions are drawn, recommendations are made, limitations are presented and suggestions are made for further research.

2. WHAT IS SEARCH BEHAVIOUR?

2.1 Why do people search for information?

Why do people search for information? This is indeed a very important question to understand. First, a closer look needs to be taken at reasons why people buy. Literature presents different reasons for this, ranging from goal achievement *(Ratneshwar, Mick, & Huffman, 2000)*, to no specific need for a product at all *(Tauber, 1972)*, to the need for entertainment or recreation *(Arnold & Reynolds, 2003)*. In order to comprehend the enormous scope of this question one has to realise how often a person searches for information every day. Every decision made requires at least some level of information. However, since people cannot search for information all the time they live their lives through the use of habits *(Aarts, Verplanken, & Knippenberg, 2006)*. A habit is just a routine that helps one function properly in everyday life. Even so, searching for information is still a major part of our daily life. Every time a new situation presents itself an analysis needs to be made. Without information the consequences cannot be properly assessed. This need for information has always been present. Examples range from our most primitive ancestors deciding what animal to attack, to doctors considering what medicine to use, to consumers wandering what product to buy.

Literature shows that information search is an important stage in the decision making process *(Gao, 2005)*. In addition, research shows that the search for information is merely a means, not an end on itself *(Punj & Staelin, 1983)*. From an economic perspective it is of the greatest interest to understand why consumers search for information concerning product acquisitions. Newman *(1977)* presents three main factors. The first shows that the product needs to be of high importance to the consumer, or in other words, a high involvement product. The second is the level experience and expertise, if there is a lack of information a search is needed. The third factor is that the information is readily available, people are lazy by nature and the advantages of the information search should outweigh the costs *(Newman, 1977)*. Although these factors have later been modified and further research has been done they still play an important role in understanding search behaviour. For example, in a modern civilization this plays a part in multiple levels in society. Marketing managers need to know how to reach their potential customers, and at a macro level for public

policy decisions *(Srinivasan, 1986)*. In addition, research suggests that increased price dispersion leads to increased search behaviour. Hence, if bigger possible benefits can be attained consumers will try to achieve this *(Lewis & Marvel, 2007)*. This corresponds with research from Lewis *(2008)* who states that if the consumer does not expect to gain much from attaining additional information he has no reason to commence a search. Managers have to realise this in order to be able to turn this into their advantage in order to increase sales.

Although this process of information acquisition is quite old, in recent years it has become significantly easier to find adequate information. Especially after the rise of the internet, consumers are more able to make an informed decision concerning what product matches their specific needs the best. The internet provides them with a wealth of previously inaccessible information. Consumers are now more able to compare prices, product information, and a better purchase decision can be made.

2.2 What kinds of search behaviour are there?

In order to be able to take a closer look at what kinds of search behaviour there are first we need to define through which steps a consumers goes when he is about to buy a product. Later in this essay a distinction will be made between low- and high-involvement products. Figure 1 shows a graphical representation of the decision making process *(Solomon, Marshall, & Stuart, 2006)*. This research concerns the second step of the process, the information search.

| Need Recognition & Problem Awareness | → | Information search | → | Evaluation of alternatives | → | Purchase | → | Post-purchase evaluation |

Figure 1 - The decision making process

To facilitate a better view concerning search behaviour, distinctions have to be made. The first distinction involves the difference between an internal and an external search. Internal search relates to the process when consumers face a limited decision, mostly out of habit. The information that was already stored in their memory is accessed in order to make a quick judgment what course of action to take. These decisions are also called habitual decisions. Habitual decisions are mostly made when

there is a strong form of brand loyalty present, or when the consumer endures a low level of involvement *(Aarts, Verplanken, & Knippenberg, 2006)*.

There are two forms of internal information, namely actively acquired and passively acquired information. The latter evolved from low-involvement learning whereas the first resulted from past information searches and personal experiences *(Pizam & Mansfield, 1999)*.

External search on the other hand concerns the situations in which this recollection is absent, or insufficient *(Schmidt & Spreng, 1996)*. This is a situation that often presents itself. Consumers will for example ask friends and family, browse magazines, visit stores, or begin a search online. Due to the fact that the information searching stage is the first stage in which marketing can provide information and influence the consumer's decision it is of high interest to the marketer *(Wilkie & Dickson, 1985)*.

The second distinction distinguishes between two types of information search, namely; ongoing versus pre-purchase. The difference between these two concepts can be found in the nature of the reason for acquisition of the information. An ongoing search concerns a search activity not directly related to an imminent purchase. *(Bloch, Sherrell, & Ridgeway, 1986)*. A pre-purchase search on the other hand initiates when a purchase problem is at hand. A consumer recognizes a need, and then searches for more information on how his or her needs can be best satisfied. This search effort can be defined as "the degree of attention, perception and effort directed toward obtaining environmental data or information related to the specific purchase under consideration" *(Beatty & Smith, 1987)*. This process ends with an actual purchase *(Punj & Staelin, 1983)*.

2.3 Discussion

Although researchers have various opinions why consumers search, they do agree on the fact that is important to understand in order to comprehend their search behaviour. In order to make valid conclusions possible it is important to divide the concept of search behaviour into smaller areas. Although not all researchers agree, most believe that a division into two levels of involvement is the most appropriate. In addition, due to nature of this research it is only of real interest to take a closer look at the external search and the pre-purchase search. This limits the research to fields that are most useful for a marketer.

However, as mentioned in the beginning of the chapter, multiple reasons exist that explain why people buy. If this fact is not taken into account when performing research it could distort the results and lead to a situation in which the results are merely applicable to a certain set of product while generalizations are made for multiple industries.

Wilkie and Dickson *(1985)* mentioned that the information search stage is the first stage in which marketing can provide information and influence the consumer's decision. This is however disputable. For example, marketers have often created a need for a product that was first completely absent; before the automobile was first introduced there was no need to acquire, or search behaviour directed to towards, this product. Hence, the marketers influenced the consumer's decision even before the stage of information search.

2.4 Conclusion

In short, taking a closer look at the reasons why consumers buy is an important step in understanding how consumers perform their search for information. Their search for information is an important stage in the buying process and differs from situation to situation. An important aspect of the reason why consumers buy is the level of involvement. The next chapter will elaborate upon that.

3. WHAT IS A HIGH INVOLVEMENT PRODUCT?

As stated before a low involvement product is a product in which the consumer mostly relies on habitual decision making. This is contradictory to a high involvement product that sparks much interest from the consumer. The fact that involvement is a very important aspect in understanding the buying behaviour of a consumer has been shown by the fact it has been researched from the 1960's and still is an active field in research.

3.1 When are people highly involved?

People are highly involved due to various reasons. As mentioned before, it concerns products that spark much interest from the consumer. This is still rather vague however. Most purchases made are everyday decisions relating to your dinner, or other casual situations, these do not qualify as highly involved. When one really has to think about a purchase for example then this person starts to get involved. A consumer buying a computer could be an example of this. When an additional level of involvement is introduced things start to get more interesting. Consider for example, the process when a consumer wants to buy a car. Apart from considering its product attributes, consumers tend to build an emotional attachment to it. Hence, one could say people are highly involved when the stakes are high *(Zaichkowsky, 1985)*.

3.2 The importance of involvement

Literature shows that involvement is personal matter that differs from person to person. It concerns one's motivation and goal setting and makes the consumer emotionally involved *(Rothschild, 1984)*. Laurent & Kapferer *(1985)* show that involvement does indeed play an important role over the consumer's purchase decision process. Research shows that high involvement seems to be associated with heavier users and higher brand loyalty *(Brisoux & Cheron, 1990)*. In addition, research done in the wine industry shows that the level involvement is even more important than the country of origin of the wine. Hence, the level of involvement is an important aspect *(Lockshin, Spawton, & Macintosh, 1997)*. Consequently, attaining a deeper understanding of this construct is of the utmost importance. And as such, a vast amount of research has been done relating to what it exactly is. Nonetheless, no clear definite definition of the concept can be found in the literature.

3.3 Conceptualisation

In order to explain involvement one has to look at various aspects, no single indicator can satisfactorily explain involvement on its own *(Rothschild, 1984)*. As an answer to this problem the concept of "involvement profiles", or "product categories" was developed *(Ray, 1982)*. Later involvement was conceptualised as the interest, enthusiasm, and excitement that consumers manifest towards a category of products *(Bloch, 1986)*. More recently however findings suggest that these categories do not completely explain involvement. A more complex conceptualisation of involvement should be adopted in order to create an improved grasp of the concept. For marketing managers this means putting an increased focus on product attributes to increase the effectiveness of advertising *(Barcellos, Kügler, & Scholderer, 2009)*. For example, a certain group of consumers who are the main target for a advertising campaign might feel especially loyal to certain product attributes. If this information is available to the marketing manager he can adjust the marketing to focus these attributes in order to increase the marketing's effectiveness.

3.4 Differences within involvement

Literature suggests that there are different forms of involvement, and each of these forms leads to different responses. The first form is involvement with advertisements *(Krugman, 1967)*. This form leads to consumers conjuring up more counterarguments to the advertisement, due to the increased effort put in comprehending it. The second form concerns involvement with products. It has been hypothesized that a high level of product involvement leads to an increased perception of attribute differences, enhanced product importance, and a higher brand loyalty *(Hupfer & Gardner, 1971)*. The third form relates to purchase decisions. Consumers with a high purchase involvement will spend more time searching for information and making the right selection *(Clarke & Belk, 1978)*. More recent literature added a fourth form, concerning consumption involvement. This is connected with the level the consumer is actually involved in the consumption of the good *(O'Cass, 2000)*. Hence, a person who buys the product for himself might be more involved than a person who buys it as a gift for a third party.

Another distinction that can be made in the field of consumer involvement concerns the difference of its importance between ongoing search behaviour and pre-purchase

search behaviour. The most important difference is that the effect of involvement in ongoing search behaviour is not clear. Research doubts, and at least cannot prove, that involvement plays major part here. Concerning pre-purchase search behaviour, the opposite is true however; involvement does play a big part in pre-purchase decision making *(O'Cass, 2000)*.

3.5 Loyalty

Recent studies suggest that improving consumer involvement, will increase consumer repurchase loyalty *(Olsen, 2007)*. Nevertheless, other researchers have provided results showing that there can be loyalty without involvement, and vice-versa. Although this seems contradictory this difference can be explained. The main cause for this could be the fact that there is major difference between involvement in loyalty for a specific brand and loyalty for a generic product category or evaluative objects *(Homburg & Giering, 2001; Nijssen, Singh, Sirdeshmukh, & Holzmüeller, 2003)*. Hence, enquiring which forms of loyalty are present within a firm's customer base will help increase the understanding of the consumer's search behaviour.

3.6 Discussion

Concerning the subject of involvement still many consensuses need to be made. The most important is the exact definition of involvement. Although researchers have presented many different versions a specific definition would enhance the understanding of search behaviour *(Laurent & Kapferer, 1985; Rothschild, 1984)*. In addition, no clear form of measurement is available. However, the use of 'involvement profiles' is widely accepted.

In addition, the different kinds of involvement need to be taken into account to improve advertising even further. Furthermore, improving consumer involvement might lead to an increase in customer loyalty and an increase in sales *(Krugman, 1967)*. Hence, understanding exactly how this process works is very important. For the marketing department this means they have to know how involved different segments of the target market are to their product. Consequently, the marketing department can adjust their advertising to maximise its effectiveness.

Researchers do not always agree on the different levels of involvement however. Where most researchers merely use low versus high involvement others have

presented different levels. Antil *(1984)* encourages using a continuous scale, instead of a dichotomous one. Abramson and Brewer *(1993)* even suggest using a concept of 'ultra-involvement' in order to explain consumer behaviour. Hence, a consensus is far from formed and this leads to the conclusion that before a clear definition is presented hard conclusions cannot be formed.

3.7 Conclusion

Although the level of involvement with a product differs from person to person, it is still important to investigate *(Lockshin, Spawton, & Macintosh, 1997)*. No single indicator can explain it completely *(Rothschild, 1984)* and as such placing a focus on product attributes seems to be the best option *(Barcellos, Kügler, & Scholderer, 2009)*. Hence, the focus of advertising campaigns should also lie on this. More importantly, there might also be several other factors that play a part and as such these will be discussed in the next chapter.

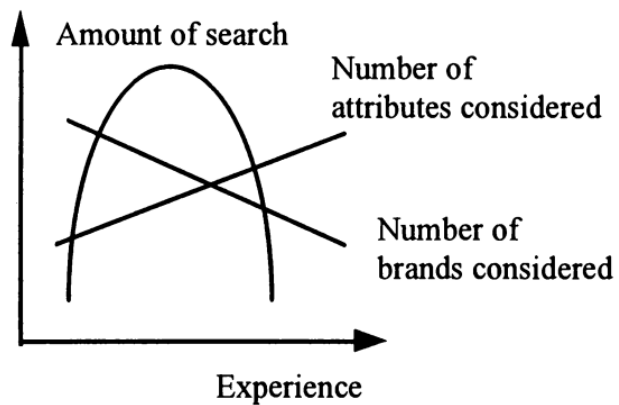# 4. WHAT FACTORS INFLUENCE SEARCH BEHAVIOUR FOR HIGH INVOLVEMENT PRODUCTS IN CONVENTIONAL RETAIL CHANNELS?

As stated before, every consumer goes through a process when buying a product. The search for information is an important part of this process. Consequently, much research has been performed concerning what factors play a role in this process, and what constraints are in place. Although vast amounts of research are present, consensuses concerning certain subjects are far from formed.

4.1 Level of experience

In order to properly show the different factors influencing search behaviour and make it more tangible, examples concerning the automobile sector will be used. Much research has been done in this sector since it is an excellent example of a high involvement product. Recent research in the automobile sector added an important factor concerning the level of experience and any prior relevant knowledge the consumer might have *(Punj & Staelin, 1983)*. These constructs relate to the level of information already present in a consumers mind before even starting the information search.

Researchers have long been discussing the influence of these subjects on the amount of searches performed. However, no clear consensus has been reached as of yet. Punj and Staelin *(1983)* argue that two forms of prior knowledge are present, namely specific knowledge of attributes associated with the products at hand and general knowledge of a product category. Consumers with a high prior knowledge of the specific product choices at hand already have enough information to make an informed decision. Hence, they will put less effort in searching for more information since advantages do not outweigh cost anymore. Consumers with a high general knowledge of a product category on the other hand know where to search for additional information and as such have reduced search costs. Consequently, this will lead to a more extensive search for information *(Punj & Staelin, 1983)*. However, this does not completely explain the fact that sometimes consumers search considerably less than this model suggests.

More recently a possible solution for this problem was presented. Through dividing total search performed into two subsets, number of attributes and number of brands considered, an explanation presents itself. Figure 2 provides a graphical view of this concept *(Moorthy, Ratchford, & Talukdar, 1997)*. This figure tries to

Figure 2 - The effect of prior experience on amount of search *(Moorthy, Ratchford, & Talukdar, 1997)*

explain why at a certain level of experience the amount of search start to decrease. When more knowledge is present attributes start to play a more important role and the effect of brands becomes less apparent.

4.2 Pre-decisional constraints

In order for a consumer to make simplified decisions some constraints are already in place before the buying process has started *(Bettman, Luce, & Payne, 1998)*. For example, when buying a car a vast number sub-decisions need to be made concerning subjects such as brand, engine size, colour, location of dealer. In the consumer's mind he might have made some of these decisions in advance when still using his previous car *(Thelen & Woodside, 1997)*. These so-called pre-decisional constraints (such as: I want a Ford) were already present before the buying process started and will have a significant influence on the further processing of information *(Bettman,1986; Jacoby, Johar, & Morrin, 1998)*. Although this process is not very different when comparing conventional and e-Business channels, it does play an important role *(Punj & Brookes, 2002)*. Understanding how these constraints were formed and what these mean for the rest of the buying process provides numerous opportunities for marketers. Especially creating preferences for specific attributes is most effective in influencing consumers.

4.3 Information sources

Another factor that plays an important role concerns what the source of the information is. Consumers are more likely to believe an independent person than considering information from a sales agent to be true. Hence, consumers will more actively search for independent sources than turn to sales agents to tell them. Another

aspect playing a role here is the level of relatedness. Consumers are more prone to believing and considering information acquired through personal sources such as friends and family *(Klein & Ford, 2003)*. Hence, creating word-of-mouth is a great way of influencing the consumer's decision. A third aspect, which constantly increases in importance, concerns the difference between offline and online sources. The latter are less personal and require a different form of presenting information than offline sources do *(Klein & Ford, 2003)*.

4.4 Branding

Branding is an aspect that has always played a big part in marketing. Two aspects are important in branding, making your brand known to the public, and convincing them to keep buying your brand. In addition, the use of branding will lead to an increased amount of loyalty *(Brisoux & Cheron, 1990)*. Research suggests that an increased knowledge concerning a specific brand will lead to an increased of product acquisition from that brand *(Ratchford, 2001)*. Hence, branding bears an important influence on search behaviour. Although this essay will not further divulge itself in the specifics of branding, the concept is far reaching and plays a definite part in the consumers' search for information and as such additional information can be found in Appendix I.

4.5 Discussion

Numerous explanations have been made concerning the effect of level of experience on search behaviour. Although they often present different reasons, the model from Moorthy, Ratchford and Talukdar *(1997)* presents a viable solution. When using this model in combination with information concerning the target group, interesting conclusions can be drawn concerning the level and nature of information that needs to be given.

In addition, comprehending what pre-decisional constraints are in place will lead to a greater understanding of why a certain product is, or is not, considered. Especially if information is available concerning specific attribute preferences, opportunities for relevant advertising present themselves (Bettman, Consumer psychology, 1986). Hence, if marketers were to consider the pre-decisional constraints, in a perfect situation when all information is known, they could adjust their marketing to either encompass,

or rule out the constraints. Consequently, their ability to influence consumers increases dramatically.

Branding also exerts an influence in the search for information. Two forms of brand uncertainty exist and understanding these will lead to a better understanding of the search behaviour of consumers *(Moorthy, Ratchford, & Talukdar, 1997)*. Information is seen as more reliable when coming from certain sources *(Klein & Ford, 2003)*. Taking this into account is an important step in marketing a product.

4.6 Conclusion

When consumers consider buying a product their level of expertise plays a role of importance *(Punj & Staelin, 1983)*. Knowing whether or not your target group is highly educated and has a certain level of experience with your product category is important in determining where consumers receive their information from *(Moorthy, Ratchford, & Talukdar, 1997)*. Moreover, pre-decisional constraints need to be taken into account *(Bettman, Luce, & Payne, 1998)*. The branding of one's product is, however, possibly the most important factor. The question that remains is whether this also holds in an e-Business setting. The next chapter will cover this sector.

5. WHAT FACTORS INFLUENCE SEARCH BEHAVIOUR FOR HIGH INVOLVEMENT PRODUCTS IN e-BUSINESS CHANNELS?

With the rise of the internet there have been numerous changes in consumer search behaviour. Means of communication have changed and interesting new marketing opportunities have arisen. However, understanding the implications of these changes is a difficult feat to achieve. On the one hand more elaborate research can be performed due to increased possibilities in the field of tracking consumer search patterns and as a result more specific results can be obtained. On the other hand, the rise of e-Business brings an enormous amount of additional research needed in order to get a basic grip on consumer search behaviour. Hence, understanding which factors influence search behaviour is of the utmost importance.

5.1 Basic factors

Various researchers have presented numerous factors that seem to play an important role in the search behaviour in an online setting. Difficulties arise however due to the volatility of the consumer's decision process. Place and time vary significantly and as a result the consumer's decision process will also differ from time to time. Hence, conclusions drawn in this chapter might only hold for this time, and not in the future *(Peterson & Merino, 2003)*. Peterson and Merino *(2003)* present various variables that play a role of importance. These include consumer characteristics, type of information being sought, nature of the product, purpose of the study and the sources used. For marketers not all of these variables are important, some are hard or impossible to exercise influence over. Other researchers present three variables that are of interest to marketers, namely the level of expertise of the consumer, the level of internet usage of the consumer, and the source of the information *(Peterson & Merino, 2003; Jepsen, 2007; Grant, Clarke, & Kyriazis, 2010)*. Although search costs are a reason for consumers to search information online instead of offline, this factor does not play a major role in the consumers online search behaviour *(Jepsen, 2007)*.

5.2 Level of experience

As was the case with conventional retail channels the level of expertise influences the consumer's ability to search. The consumer knows how to search and where to search and will better focus their search. In an internet setting this is even more important

because the level of expertise varies more between different classes in society compared to a conventional setting. This level of experience will only increase through time when more and more consumers are familiarised with the internet and its possibilities. In addition, demographic differences will decline and more broad generalizations can be made. At the moment, young people and highly educated people in general have followed more education relating to internet skills and as a result have a higher level of expertise and internet usage *(Forsythe & Shi, 2003)*. This is however changing and in the future different results might be found.

Consumers with a certain level of experience with searching information on the internet will develop strategies concerning judgement of the information's credibility *(Klein & Ford, 2003)*. In time, consumers might be able to determine information credibility with the blink of an eye, but a certain level of uncertainty will always be present.

5.3 Information sources

Understanding what factors influence the sources credibility on the internet is an important step in understanding what factors influence search behaviour in e-Business channels in general. Trust plays a big role here; due to the impersonal nature of the internet as we currently use it a certain lack of trust is created. For example, through looking at facial expressions people are able to see if the other person is lying *(Ekman, Friesen, & O'Sullivan, 1988)*. In an e-Business setting this proves to be much more difficult As stated by Puccinelli, Goodstein, Grewal, Price, Raghubir and Stewart *(2009, p. 21)* "Overstock.com found that including unbiased consumer reviews significantly increased the popularity of its site. Insights from practice also suggest that people trust consumer reviews more than expert analyses, perhaps because they offer more experiential comments.". Hence, consumers value peer reviews in their search for information. These reviews are considered more personal and considered to come from an impartial source *(Puccinelli, Goodstein, Grewal, Price, Raghubir, & Stewart, 2009)*.

Another important aspect that influences information sources is the lack of physical contact. In this field however some contradictory findings have been made. On the one hand researchers have found evidence that supports the statement that a lack of

physical contact and personal communication negatively influences the use of search behaviour on the internet *(Wolfinbarger & Gilly, 2001)*. On the other hand Jepsen *(2007)* shows that this relationship is not significant.

5.4 Branding

As stated before, branding is an important factor to understand when investigating consumer search behaviour. Although most research has been done regarding branding in offline settings most of the assumptions still hold. Diversifications need to be made however. For example, branding is more important in an e-Business than in a conventional research channel *(Degeratu, Rangaswamya, & Wu, 2000)*. A slight elaboration has to be made here however. This increase of brand value is especially present with products with a great deal of salient attributes and fewer functional attributes. Salient attributes are aspects of a product the consumer attaches certain emotional values to *(Doherty, 2006)*, while functional attributes are mostly product specifications. Since high involvement generally encompasses many of these salient, emotional, attributes this increase in brand value particularly relates to this product category *(Doherty, 2006)*.

Furthermore, because in an e-Business setting more information can be processed at the same time brands are compared simultaneously instead of subsequently *(Peterson & Merino, 2003)*. This inclines that for functional products attributes are more important and the brand is less important.

5.5 Discussion

Over the past decades researchers have determined many factors that play a role in consumer's search for information. However, the factors that are mentioned in these studies are far from alike. When combining all this research, several factors do stand out however. For one, the level of experience is of essential importance when considering how, where and how much consumers search for information *(Peterson & Merino, 2003)*.

Research seems to disagree, however, on the effect of a lack of physical contact and personal communication has on the use of search behaviour on the internet. This contradiction can possibly be explained by additional external factors that differed. Social status and age for example will have a significant influence on this area. A

possible solution, if there is a problem present, is increasing the level of interaction and personality of the website *(Poddar, Donthu, & Wei, 2009)*. Through providing personal recommendations and real time feedback personal communication is improved and the consumers search behaviour can be altered.

In addition, research disagrees on the role of branding in an online setting. While some research shows an increase in the importance of branding *(Degeratu, Rangaswamya, & Wu, 2000)* others present somewhat different findings *(Peterson & Merino, 2003)*. This difference can be explained by the fact that no conclusions can be drawn without being more specific. Due to a change in search strategy branding is less important for functional products, the opposite is true for products with a form of emotional attachment. In both cases however the concept of involvement plays a role; the higher the level of involvement the higher the importance of branding.

5.6 Conclusion

To conclude, there are various factors that demand attention when considering consumers' search behaviour. The most important ones concern the level of experience the consumer has, more expertise leads to a better search, the source of the information, personal relation and impartialness are important, and branding, which should be given additional attention. As a result, a comparison can be made between search behaviour in a conventional retail channel and in an e-Business channel.

6. WHAT ARE THE DIFFERENCES AND SIMILARITIES BETWEEN CONVENTIONAL RETAIL CHANNELS AND E-BUSINESS CHANNELS FOR HIGH INVOLVEMENT PRODUCTS FOR THESE FACTORS?

The fields covered in the previous chapters provide interesting material for conclusions concerning the two channels. Although the research in the field of information search in e-Business channels is relatively fresh and constant changes are in progress, numerous claims can be made; certain distinctions can be made and some factors stay the same. From these specific variations in search behaviour broad conclusions can be drawn concerning how consumers search for information on the different channels at the time of writing.

6.1 Similarities

While the method for searching information differs between channels, the basic reasons for starting a search for information are still the same. In addition, the pre-decisional constraints in place in the conventional channels also exert influence in an e-Business setting. Apart from that, experience also plays an important role in the search behaviour of consumers, as shown by Moorthy, Ratchford, & Talukdar *(1997)*.

6.2 Differences

6.2.1 Prior knowledge and experience

Although the effect of prior knowledge and experience concerning specific product choices and general knowledge regarding product categories is relatively the same for both channels differences do present themselves *(Punj & Staelin, 1983)*. Since not everybody grew up with the internet and possibilities are numerous, consumers are occasionally oblivious to all the possibilities for information acquisition available to them. Hence, consumers with more experience with the internet will use more ways to search for information and as such their search behaviour differs from the consumers still focussing on the offline environment.

6.2.2 Information sources

Another important factor in which the channels differ concerns the source used while acquiring the information. In both channels the level of relatedness plays a role of

importance, consumers are more prone to believe information coming from a personal source, such as friends or family, than some stranger *(Klein & Ford, 2003)*. However, due to nature of the internet such sources are scarcer and finding a truly personal, trustworthy, source is a difficult feat to achieve. Checking whether a source is completely reliable is hard due to the distance and impersonal relationship with the other person; everybody can imitate a person and use this to provide tainted information. In order to counteract this, offline marketers, who, although on a smaller scale, also encountered this problem, use word of mouth to compensate for this lack of trust. However, where word of mouth plays an important role for marketers in an offline setting to influence personal promotion this concept has only recently been picked up by online marketers *(Puccinelli, Goodstein, Grewal, Price, Raghubir, & Stewart, 2009)*. The use of social media plays an important role in creating this sort of advertising *(Sun, Youn, Wu, & Kuntaraporn, 2006)*. With the utilization of social media, the internet becomes more personal and certain barriers previously impairing proper information acquisition can now be broken *(Kim, 2000)*. As with reviews placed on websites, these judgements are considered more impartial and as such more valuable *(Puccinelli, Goodstein, Grewal, Price, Raghubir, & Stewart, 2009)*.

6.2.3 Branding

The concept of branding finds itself in a more important position than in conventional retail channels *(Degeratu, Rangaswamya, & Wu, 2000)*. This is especially true for product with numerous salient attributes. Although both in conventional retail channels and in e-Business channels relative brand uncertainty and individual brand uncertainty exist, differences are present *(Moorthy, Ratchford, & Talukdar, 1997)*. The increased opportunities for comparing products online at the same time increases simultaneous versus subsequent brand evaluations *(Peterson & Merino, 2003)*. Hence, more, salient, attributes can be considered and this in turn leads to a decrease in individual brand uncertainty.

As mentioned previously, branding consists of two parts; making your brand known to the public, and convincing them to keep buying your brand. Whereas in conventional retail channels, a single channel advertising campaign was sufficient to convince people to buy your brand this does not hold for e-Business setting. Creating brand loyalty requires a multi-channel approach *(Wallace, Giese, & Johnson, 2004)*.

Regarding the process of keeping the consumers buying your brand online a closer look needs to be taken at satisfaction. Satisfaction increases loyalty which in turn increases satisfaction, a process stronger online than offline *(Shankar, Smith, & Rangaswamy, 2003)*. Concerning search behaviour this means providing more in-depth information on the brands website in order to control their search behaviour.

6.3 Discussion

Although most research tends to agree on the main areas where search behaviour differs between conventional and e-Business retail channels, there is some discussion present. The lack of physical contact with the store provides an interesting discussion for example. Data suggest different findings and as such no clear distinction can be made between offline and online channels. However, if the lack of physical contact does play a part, adding the level of interaction and personality to the website will decrease this negative effect *(Poddar, Donthu, & Wei, 2009)*.

Furthermore, previously mentioned issues, such as the importance of branding, will not be discussed here again.

6.4 Conclusion

Multiple differences have been presented and taking these into account when creating a marketing strategy is of the utmost importance. Considering the level of internet expertise of one's target group helps in providing valuable insights in the possible future gains of providing information through an e-Business channel. A personal relation will help increase source credibility *(Kihlstrom, 2009)*. In addition, in an online setting branding should be paid additional attention to, especially when dealing with a high involvement, functional, product.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

The search for information is a vital step in the consumers' buying process. Consumers conduct searches for multiple reasons *(Ratneshwar, Mick, & Huffman, 2000; Tauber, 1972; Arnold & Reynolds, 2003)*. Every decision made requires at least some level of information *(Aarts, Verplanken, & Knippenberg, 2006)*. An important aspect influencing this search behaviour is involvement. It is a theoretical concept dividing consumers into two groups, low involved and high involved consumers *(Laurent & Kapferer, 1985)*. An important means of measure is through the use of 'involvement profiles' *(Ray, 1982)*. More recent research suggests using attributes in order to achieve the best results *(Barcellos, Kügler, & Scholderer, 2009)*.

The level of experience plays a role of importance in both conventional-, and e-Business retail channels. The fact that an increased amount of expertise or experience in the field does not always lead to a decrease in information search can be explained by the model of Moorthy, Ratchford & Talukdar *(1997)*. When more knowledge is present, attributes start to play a more important role and the effect of brands becomes less apparent. Although this holds for both offline and online settings, in an online setting its effects are more apparent since fewer people have the necessary level of expertise to make informed decisions *(Forsythe & Shi, 2003)*.

Pre-decisional constraints are always present when considering product acquisition. Research suggests these constraints vary widely and it is highly advisable considering them when performing a research *(Bettman, 1986)*. However, the nature of pre-decisional constraints does vary between conventional and e-Business channels.

Moreover, branding plays an important role. Due to different search strategies of consumers in online versus offline settings for some product categories, mainly for highly involved product and those with many salient attributes, the concept of branding seems to have an extended level of influence *(Degeratu, Rangaswamya, & Wu, 2000; Doherty, 2006)*. In addition, two forms of brand uncertainty exist and understanding these will lead to an increased comprehension of the different factors influencing the consumers search for information *(Moorthy, Ratchford, & Talukdar, 1997)*.

The source of the information also exerts an influence. The personal relation and the level of interaction with the consumer tend to influence the use of the source *(Klein & Ford, 2003)*. In an e-Business channel this is particularly a problem due to the impersonal nature of the internet.

In order to answer the second part of the main research question a closer look needs to be taken at the repercussions for a marketing strategy. Hence, recommendations concerning marketing strategies will be discussed in the next paragraph.

7.2 Recommendations

Understanding why consumers buy is of the utmost importance to be able to properly advertise one's product. For the marketing department this means they have to know why the different segments buy products and how involved different segments of the target market are to the product. Improving this consumer involvement might lead to an increase in customer loyalty and an increase in sales *(Brisoux & Cheron, 1990)*.

When considering providing information to consumers via online channels it is important to take into account the level of expertise the target group has with the internet *(Punj & Staelin, 1983)*. In a business to business setting it might prove advantageous to educate the clients; in a business to consumer setting this is often not viable due to the size of the target groups.

If information is available concerning specific attribute preferences of the consumers the process of understanding pre-decisional constraints becomes easier and opportunities for relevant advertising present themselves (Bettman, Consumer psychology, 1986).

An especially interesting factor for marketers is the sources used. In an e-Business channel this is more important than in a conventional retail channel and due care should be taken in order to present consumers with impartial, preferably personal, sources *(Puccinelli, Goodstein, Grewal, Price, Raghubir, & Stewart, 2009)*. This can be achieved for example through increasing the level of interaction and personality of the website *(Poddar, Donthu, & Wei, 2009)*. Furthermore, particularly the use of social media might present marketers with interesting opportunities to market their products *(Sun, Youn, Wu, & Kuntaraporn, 2006)*.

Understanding that branding is more important when less easily comparable data of the products is available will lead to a better focus of one's marketing strategy. In addition, two forms of brand uncertainty exist and understanding these will lead to a better understanding of the search behaviour of consumers *(Moorthy, Ratchford, & Talukdar, 1997)*.

7.3 Limitations to the research

There are multiple limitations to this research. An apparent limitation concerns the fact that this research is solely based on secondary data. Hence, all conclusions drawn are derived from their research. Although the sources used are scientific, they might sometimes only be valid in that specific situation. Consequently, conclusions drawn might not always be applicable and additional research is advisable for a firm's specific area.

Since this research did not encompass quantitative elements directly the strength of the mentioned relations is not directly visible and due care should be taken when implementing changes based on these recommendations.

It is imperative to note that due to the volatile market in the e-Business setting conclusions that might be true at the time of writing do not necessarily hold for the future. Hence, it is vital to conduct a proper investigation when considering using the consumers search behaviour in one's marketing.

7.4 Suggestions for further research

Although performing additional research in all the areas used in this research is next to impossible, the most important relations could still be investigated further. The effect of branding in an e-Business setting should be researched in order to create a better view in which situations branding plays an important role, and when it is only present in the background.

Due to the volatility of the internet, situations change constantly an accurate view of the market might not valid in the future. However, comprehending what sources are most used and respected on the internet will lead to interesting recommendations for marketing managers.

Furthermore, investigating, what pre-decisional constraints are in place where will prove advantageous to researchers and marketers.

Additional interesting results could be gained from tracking customer expertise in various market segments or product categories. This way a definite, quantitative, relationship can be contrived on which further research can be based.

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9. APPENDIX I

Although frequently researched branding is a concept that still puzzles researchers, especially with the rise of the internet the concept of branding is changing. Numerous researchers have investigated the concept of branding and in recent days even more research has been done concerning branding in combination with online channels.

In order to comprehend why branding plays an important part in search behaviour, we first need to understand what it exactly entails. The American Marketing Association defines brand as 'A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark.' *(American Marketing Association, 2010)*. Hence, a brand is distinguishing feature of your product and as such consumers will, at some point, use it in their decisions process *(Keller, Aperia, & Georgson, 2008)*.

In recent years researchers have suggested that branding plays a broader role than previously believed. It is not just intertwined with the consumers, but also with the company, its employees, and the stakeholders *(Brodie, Whittome, & Brush, 2009)*. Berry *(2000)* suggests that the meaning that the customers derive from the brand is more important than the brand awareness. Hence, brand meaning is obtained from the customer's experience with the company as a whole.

Branding plays an important part in relationship managing. When creating brand loyalty involving customers in a marketing dialogue is a prerequisite *(Andersen, 2005)*. Web-enhanced brand communities play an important role in achieving this; companies can create improved linkage with their customers. A web-enhanced brand community is an extension on the web of a previously existing community. Although little research has been done concerning web-enhanced brand communities it is believed it will play an important role in the future.

Branding bears a significant amount of influence on the process of searching for information. For example, consumers want to reduce uncertainty as part of their natural aversion towards risk. Understanding this is a crucial step in branding your product *(Kihlstrom, 2009)*. Two forms of brand uncertainty exist; individual brand uncertainty and relative brand uncertainty. The latter is the uncertainty concerning

which brand is the best whereas the former regards uncertainty what each brand offers. There cannot be relative brand uncertainty when there is no individual brand uncertainty. Hence, when a consumer knows all the attributes of all the brands he instantly knows which one the best brand is. The consumer can also figure this out however if not all attributes are known (individual brand uncertainty is not zero). A search needs only to be performed when there is relative brand uncertainty and the consumer is unsure what the best product is *(Moorthy, Ratchford, & Talukdar, 1997)*.

Two aspects are important in branding, making your brand known to the public, and convincing them to keep buying your brand. The first can be achieved through advertising. Through providing information to the public, preferably via various channels, concerning your specific brand, consumers can be convinced to start buying your product, this will then lead to the second issue. This issue regards to the importance of loyalty in a branding context. Consumers who repeat purchases at a company will in general form an attachment with the brand, called loyalty *(Brisoux & Cheron, 1990)*. In addition, research has shown that satisfaction and loyalty are highly correlated. Consequently, improving one will improve the other *(Pizam & Mansfield, 1999)*.