

KOREANS' BEHAVIOR TOWARD ONLINE SHOPPING
A CASE STUDY OF GMARKET.CO.KR

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พฤติกรรมการบริโภคสินค้าออนไลน์ของชาวเกาหลี
กรณีศึกษาเว็บไซต์จีมาร์เก็ต

นางสาวปณิศา มุลาสินธุ์

วิทยานิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต
สาขาวิชาเกาหลีศึกษา (สหสาขาวิชา)
บัณฑิตวิทยาลัย จุฬาลงกรณ์มหาวิทยาลัย
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ปณิศา มุลาสินน์ : พฤติกรรมการบริโภคสินค้าออนไลน์ของชาวเกาหลี กรณีศึกษาเว็บไซต์จีมาร์เก็ต. (KOREANS' BEHAVIOR TOWARD ONLINE SHOPPING A CASE STUDY OF GMARKET.CO.KR) อ. ที่ปรึกษาวิทยานิพนธ์หลัก: อ.ดร. ปิติ ศรีแสงนาม, 114 หน้า.

งานวิจัยครั้งนี้มีวัตถุประสงค์ เพื่อ 1) ศึกษารูปแบบอีคอมเมิร์ซของประเทศเกาหลีใต้ 2) ศึกษา รูปแบบพฤติกรรมการซื้อสินค้าออนไลน์ของชาวเกาหลี และ 3) เพื่อระบุปัจจัยที่มีผลต่อการซื้อสินค้าออนไลน์ โดยกำหนดกรณีศึกษาคือเว็บไซต์จีมาร์เก็ต (www.gmarket.co.kr) จากผลการศึกษาจากการวิจัยเชิงปริมาณโดยใช้แบบสอบถามเป็นเครื่องมือในการเก็บรวบรวมข้อมูลจากกลุ่มตัวอย่างชาวเกาหลีที่มีประสบการณ์ซื้อสินค้าออนไลน์ จำนวน 125 คน สถิติที่ใช้ในการวิเคราะห์ข้อมูล ประกอบด้วยค่าความถี่ ค่าร้อยละ ค่าเฉลี่ยมาทดสอบ พบว่า กลุ่มตัวอย่างส่วนใหญ่เป็นนักศึกษา มีช่วงอายุระหว่าง 20 ถึง 29 ปี รายได้ต่อเดือนน้อยกว่า 500,000 วอน (น้อยกว่า 15,000 บาท) และมีการศึกษาสูงสุดในระดับปริญญาตรีมากที่สุด ส่วนปัจจัยหลักที่ผู้บริโภคให้ความสำคัญในการซื้อสินค้าออนไลน์คือ การซื้อสินค้ากับผู้ขายที่การันตีในคุณภาพสินค้าไม่พอใจคืนเงิน รวมถึงการบรรยายคุณสมบัติสินค้าอย่างละเอียด อีกทั้งยังพอใจที่จะบริโภคสินค้ากับผู้ขายที่สามารถเปลี่ยนคืนสินค้าได้ รวมถึงสามารถเลือกบริโภคสินค้าจากร้านค้าที่ให้ราคาดีที่สุด และต้องมีสินค้าหลายหลาย สามารถเปรียบเทียบราคาได้ ส่วนปัจจัยที่ผู้บริโภคให้ความสำคัญน้อยที่สุด คือโปรโมชั่นจากทางเว็บไซต์ซึ่งไม่มีผลต่อการตัดสินใจซื้อ ในการตรวจสอบสมมติฐาน พบว่าความแตกต่างของประชากรส่งผลต่อพฤติกรรมการซื้อสินค้าออนไลน์ เพศหญิงให้ความสำคัญกับคุณภาพสินค้าโดยต้องสามารถ เปลี่ยนคืนสินค้าได้มากกว่าเพศชาย และการซื้อสินค้าจากเว็บไซต์จีมาร์เก็ต จะได้ราคาที่เหมาะสมผลกว่าร้านค้าที่มีหน้าร้านทั่วไป นั้นเป็นไปตามสมมติฐาน ส่วนสมมติฐานที่ว่าลูกค้าที่เคยซื้อผ่าน เว็บไซต์จีมาร์เก็ต จะให้ความสำคัญกับการได้รับประโยชน์จากการเป็นสมาชิกเว็บไซต์มากกว่าลูกค้าที่ไม่เคยซื้อผ่าน เว็บไซต์จีมาร์เก็ตนั้น ไม่เป็นไปตามสมมติฐาน

สาขาวิชาเกาหลีศึกษา..... ลายมือชื่อนิสิต

ปีการศึกษา2555..... ลายมือชื่อ อ.ที่ปรึกษาวิทยานิพนธ์หลัก.....

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This research aims to 1) study the formats of Korea's E-Commerce. 2) study the patterns of Koreans' online shopping behavior and 3) identify the factors influencing people to make purchases via online shopping using the Korean website "Gmarket" (www.gmarket.com) as a case study. This research acquired data from 125 respondents collected by questionnaire from Koreans who have online shopping experience. The statistics used to analyze the obtained data were frequencies, percentages and means to prove the outcome. This study found that most of respondents were university students with an age range between 20-29 years old, with a monthly income less than 500,000 Won (15,000 Baht) and the highest level of education a Bachelor degree. The major factors influencing consumers' purchase of online products were the offering of a money back guarantee and the inclusion of a fully detailed product description. Consumers also preferred to purchase products from sellers who offered to return a product if the buyer was not satisfied and those that had a low cost relative to comparable products. Conversely, the factor with the least influence on consumers was website promotion. Testing this hypothesis, the results found that different demographics use of online shopping was influenced at different rates by individual criteria. Women were found to be more concerned about product quality and if they are able to return a product compared to men. It was also found that, as predicted, the prices of Gmarket's products were more reasonable than general offline stores. The assumption that consumers who have used Gmarket place importance on the benefits of being member compared to consumers who have never use Gmarket, however, did not meet expectations.

Field of Study : Korean Studies..... Student's Signature.....

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CONTENTS

	Page
ABSTRACT IN THAI.....	iv
ABSTRACT IN ENGLISH.....	v
ACKNOWLEDGEMENTS.....	vi
CONTENTS.....	vii
LIST OF TABLES.....	ix
LIST OF FIGURES.....	xi
CHAPTER I INTRODUCTION.....	1
Research Background.....	1
Research Questions.....	5
Research Objectives.....	5
Research Scope.....	5
Conceptual Framework.....	6
Hypotheses.....	6
Expected Result.....	7
CHAPTER II LITERATURE REVIEWS.....	8
Overview of Internet.....	8
Concept of E-Commerce.....	9
Types of E-Commerce systems.....	13
Concepts and theories of Consumer Behavior.....	19
Factors influence consumer behavior.....	22
Steps in the purchasing decision of consumers.....	30
Concepts and theories of Marketing Mix: 4Ps.....	32

	Page
CHAPTER III RESEARCH METHODOLOGY.....	37
Population and Samples.....	37
Research Instrument.....	38
Data Collection.....	40
Analysis of Data.....	40
CHAPTER IV DATA ANALYSIS AND DISCUSSION.....	42
E-Commerce in Korea.....	42
Overview of Gmarket.....	49
Quantitative Analysis.....	50
Hypotheses Testing.....	82
CHAPTER V CONCLUSION AND RECOMMENDATION.....	94
Conclusion of the research.....	94
General suggestions.....	100
Research Limitation.....	101
Future Research.....	102
REFERENCES.....	103
APPENDIX.....	107
BIOGRAPHY.....	114

LIST OF TABLES

TABLE		Page
1	Frequency and percentage divided by Gender.....	51
2	Frequency and percentage divided by Age.....	51
3	Frequency and percentage divided by Occupation.....	52
4	Frequency and percentage divided by Education level.....	52
5	Frequency and percentage divided by Average income per month.....	53
6	Frequency and percentage of purchase product online in the past 6 months.....	54
7	Frequency and percentage of online shopping experience in Gmarket.....	54
8	Frequency and percentage of perception toward Gmarket.co.kr.....	55
9	Frequency and percentage on influence to make purchase decisions in Products and Service.....	56
10	Frequency and percentage of period of use Gmarket.co.kr.....	62
11	Frequency and percentage of Purchase Rate in Gmarket.co.kr.....	63
12	Frequency and percentage divided Categories which often purchase online in Gmarket.....	64
13	Frequency and percentage of Purchase reason.....	64
14	Frequency and percentage of the average cost for each purchase.....	65
15	Frequency and percentage divided membership grade.....	66
16	Frequency and percentage divided participation in G-LOTTO.....	67
17	Frequency and percentage of Faced unexpected problem experience in Gmarket.co.kr.....	70
18	Frequency and percentage divided unexpected problem experience.....	70
19	Frequency and percentage of Future purchase after faced unexpected problem experience.....	71

TABLE	Page
20	Frequency and percentage divided Reason for discontinue..... 72
21	Frequency and percentage divided Reason for not purchase..... 75
22	Influenced factor toward Gmarket.co.kr..... 76
23	Influenced factor toward general website..... 78
24	Compare Influenced factor between 2 groups of respondents..... 80
25	Gender, Age 20-29 years and Product category cross tabulation..... 82
26	Influenced factors toward Gmarket by Gender and Age 20-29 years..... 83
27	Occupation and Product category cross tabulation.....84
28	Influenced factors toward Gmarket by Occupation and Product category.....85
29	Education level and Product category cross tabulation..... 86
30	Influenced factors toward Gmarket by Education and Product category..... 87
31	Income and Product category cross tabulation..... 88
32	Influenced factors toward Gmarket by income and Product category..... 89
33	Women prefer sellers who offered in return product if not satisfied than men.....91
34	Purchase the product from Gmarket is more reasonable price..... 92
35	Respondents A place important on the benefits of being member more than Respondents B..... 93

LIST OF FIGURES

FIGURE		Page
1	Trends in Internet Usage Rate and Internet User.....	2
2	Homepage of Gmarket website.....	4
3	Homepage of Amazon website.....	15
4	Homepage of Ebay website.....	16
5	Homepage of Alibaba website.....	17
6	E-Commerce Trade Volume in South Korea.....	44
7	B2B E-Commerce by Industry in South Korea.....	47
8	E-Business System Utilization.....	48
9	Gmarket founder Ku Young Bae.....	49
10	Membership Grade.....	66
11	G-LOTTO Campaign.....	67
12	G-LOTTO Regulation.....	68
13	Frequency and percentage divided use Korean website beside Gmarket.....	69
14	Frequency and percentage divided Korean website.....	73
15	Frequency and percentage divided Non-Korean website.....	74

CHAPTER I

INTRODUCTION

Research Background

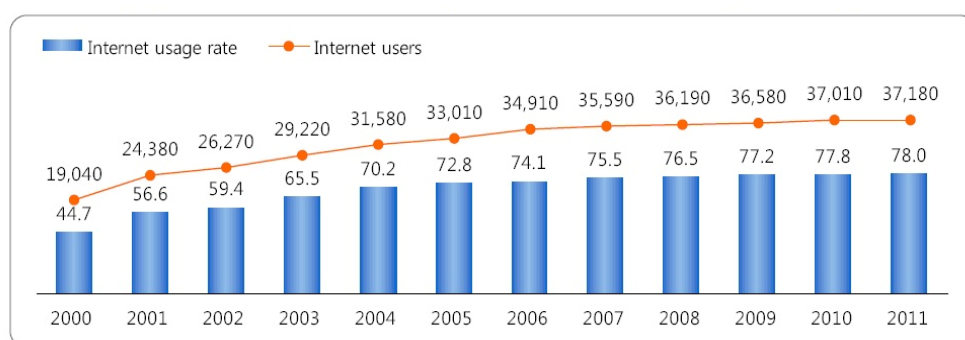
The Internet is rapidly becoming the infrastructure of choice for electronic commerce and electronic business because it provides a universal and easy way to use a set of technologies and technology standards available to be adopted by all organizations, no matter which computer system they use. The Internet is very popular and has much influence on today's business.

Business nowadays is much different from before. The growth of the Internet and technology has created a trend of computerisation. Today there are many new innovative technologies that can be used to help business. The Internet helps to communicate with the external environment in a faster, more convenient way saving both time and money. The internet's ability to link previously isolated business networks is particularly valuable for business with high demand that now have greater access to global markets. E-Commerce websites know that to make business work in the era of globalization you must create brand awareness for customers all around the world.

E-Commerce websites can also help current businesses gain more advantages from online distribution channels selling a higher volume of goods with the cheap price of advertising investment.

E-Commerce describes the manner in which transactions take place over networks, mostly on the Internet. It is the process of electronically buying and selling goods, services and information. Today the application of E-Commerce is expanding quickly on the Internet with new businesses launching everyday. This is having a significant impact on various sectors such as business, education and others. In the near future, E-Commerce will create a marketplace that will facilitate global trade without any barriers. Electronic business is not only the selling or buying of goods but also the combination of marketing, advertising, promotions and so on. It also provides a convenient way of shopping, price comparisons, selling, product searching and community. Since the benefits of the internet are so huge, many people are looking to do business online.

Figure 1: Trends in Internet Usage Rate and Internet User (% , thousand)¹



¹ Korean Internet & Security Agency (KISA). [2011 survey on the internet usage executive summary](http://isis.kisa.or.kr/eng). [Online] Available from : <http://isis.kisa.or.kr/eng> [2012, June 12]

In Korea, E-Commerce was started in the year 1999 and was supported by the Korean government in the 'Basic Act on Electronic Commerce'. Today commercial broadband services in Korea are the fastest in the world, and the country has already begun the transition to 3.5G.² Also Korean Internet Usage Rate and Internet Users keep on increasing every year.³ And be associated with the increasing of the demand for buying the product through online.

E-Commerce is also a part of Green growth which is being put into action in South Korea. The National Strategy for Green Growth plans to: 1) promote eco-friendly new growth engines, 2) enhance people's quality of life and 3) contribute to international efforts to fight the climate change.⁴ To make it possible, a The The Presidential Commission on Green Growth was established in 2009 and the Framework Act on Low Carbon Green Growth was legislated in 2010.

This strategy will begin with the government's Five-Year Plan that will spend approximately 2% of the annual GDP on green growth programs and associated projects under the plan. Investments will first be geared towards infrastructure systems in order to boost up the economy with significant support being exhibited for increasing the development of the E-commerce industry.

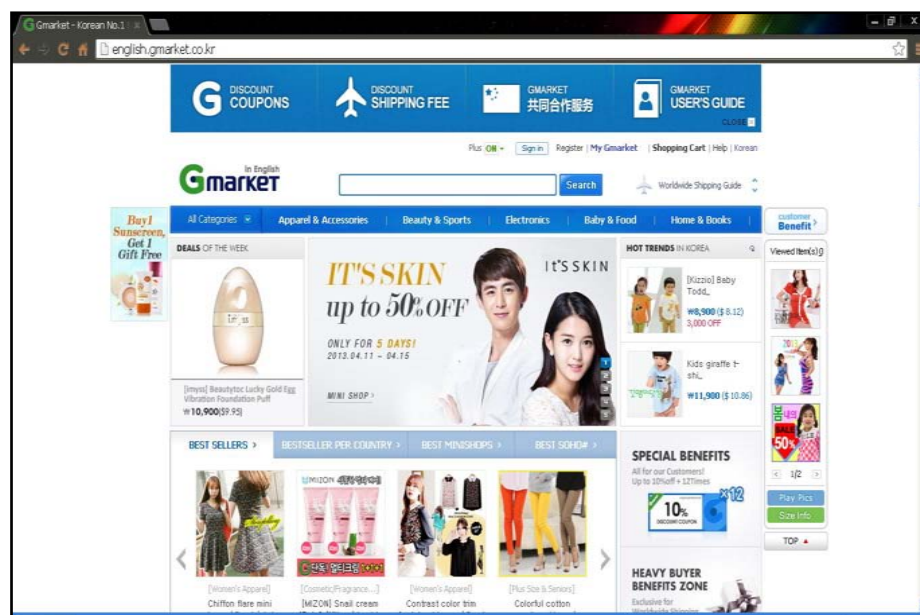
² Ilsoon Shin, Jungsoo Park, Seonghoon Jeon. The Size, Effect, and Efficiency of Internet Economy in Korea. *International Telecommunications Policy Review*, Vol.19 No.2 pp.33-67, 2012

³ Korean Internet & Security Agency (KISA). *2011 survey on the internet usage executive summary*. [Online] Available from : <http://isis.kisa.or.kr/eng> [2012, June 12]

⁴ The Organisation for Economic Co-operation and Development (OECD). *Green growth in action: Korea*. [Online]. Available from <http://www.oecd.org/korea/greengrowthinactionkorea.htm> [2012, December 14]

Gmarket.co.kr was chosen as the case study due to its position as one of Korea's most well established and popular E-Commerce websites. Gmarket.co.kr is currently the number 1 shopping website in Korea and was established in April'2000.⁵ It is a kind of online marketplace which provided the service for both of seller and buyer. Gmarket.co.kr is a very popular shopping site among bargain hunters and most Koreans have either purchased items from Gmarket.co.kr. or used it as a tool for assessing different goods' market value.

Figure 2: Homepage of Gmarket website



In sum, this research intends to use Gmarket.co.kr to examine E-Commerce in terms of demand, Koreans's online shopping behavior toward Gmarket.co.kr, as well as supply, the opinion of the seller toward consumers as well as their various experienced toward the E-Commerce system in Gmarket.co.kr.

⁵ Gmarket website. [About Gmarket](http://english.gmarket.co.kr/challenge/neo_contents/company/01_company.asp). [Online]. Available from : http://english.gmarket.co.kr/challenge/neo_contents/company/01_company.asp [2012, December 6]

Research Questions

1. What are the formats of Korea's E-Commerce?
2. What are the patterns of Korea's online shopping behavior toward Gmarket?
3. Why people are choosing to purchase products online via Gmarket.co.kr?

Research Objectives

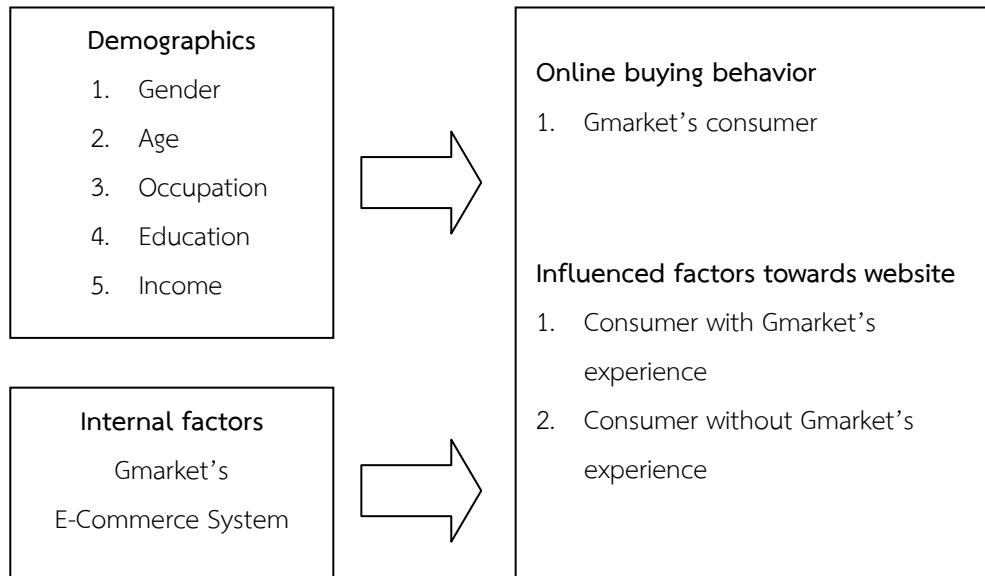
1. To study the formats of Korea's E-Commerce.
2. To study the patterns of Korea's online shopping behavior toward Gmarket.
3. To identify the factors influencing people to make a purchase via online shopping on Gmarket.co.kr.

Research Scope

This research studies Korea's behavior toward online shopping by studying one of Korea's most popular online stores Gmarket.co.kr. The documentary research data will focus on recent years statistical data and variables about Gmarket.

Questionnaires were used to discover Korea's online shopping behavior toward Gmarket.co.kr. The set of the populations are Korean men and women, of all ages, who have some online shopping experience. Both experience with Gmarket specifically as well as other online shopping sites were valid when answering the questionnaire.

Conceptual Framework



Hypotheses

1. Different demographics such as gender, age, income and education affect the use of online shopping with Gmarket.
2. Women are more concerned about product quality and if they are able to return the product if not satisfied than men are.
3. Products from Gmarket.co.kr are more reasonably priced than general offline stores.
4. Consumers who have used Gmarket place importance on the benefits of being a member more than consumers who have never used Gmarket.

Expected Results

1. To know Korean's online shopping behavior toward Gmarket.co.kr website.
2. To understand the format of Korean E-Commerce.
3. To know the factors that make Korean people choose to purchase a product on Gmarket.

CHAPTER II

LITERATURE REVIEW

Overview of Internet

The internet is a large computer network that connects computers around the world together like a spider web network¹. The internet is used today in many benefits whether the communication, send a message across the country, send e-mail, public relations, send trading data , auction, treatment and many more². The number of Internet users is much higher today because of the Internet has the same protocol which is TCP / IP so all PCs can communicate with each other correctly. As a result, the Internet is a very large computer network with a small network of computers around the world link together and can transmit the information to each other by using the protocol as the medium of communication and exchange the information like the fibers or spider or commonly called the World Wide Web-WWW³. This makes the internet the largest computer network in the world, a process line or online communication between different computer systems and different kind with the cable and the users by using software and communication equipment.⁴

¹ Wolinsky, Art. The History of the Internet and the World Wide Web. Berkeley Heights, N.J.: Enslow Publishers, 1999

² Hahn, Harvey. The Internet Complete Reference, 2nd edition. Berkeley: Osborne McGraw-Hill, 1996.

³ V. G. Cerf and R. E. Kahn, "A protocol for packet network interconnection", IEEE Trans. Comm. Tech., vol. COM-22, V 5, pp. 627-641, May 1974

⁴ P. Baran, "On Distributed Communications Networks", IEEE Trans. Comm. Systems, March 1964.

Concept of E-Commerce

The definition of e-commerce

Electronic commerce refers to technology enabler for the transaction. The ATM (Automatic Telling Machine) can be used to deposit and withdraw money via online banking, Electronic Data Interchange-EDI is for the exchange of business information between agencies or organizations via online or internet, etc⁵. However, these technologies are used for business management including electronic commerce which engaged in business of trading or dealing on the internet by the buyer which can choose the product, calculate, determine the choice of purchasing and buy the product using credit card. Sellers can offer products, check your credit card and liaison to the distributor for the product automatically. All process will be completed on the internet network. Therefore, electronic commerce is a form of buying - selling, transport or exchange of goods, services and information via the Internet⁶.

E-Commerce infrastructure

Infrastructure for electronic commerce derived from the elements using together in the electronic commerce system which is important to trading of goods and services via the Internet as follows:

1. Network system, the link and communication between the source to the destination via a communication are computer hub, modem, telephone or uplink

⁵ Kevin Kelly: We Are the Web. *Wired magazine*, Issue 13.08, August 2005

⁶ Chaudhury, Abijit; Jean-Pierre Kulboer (2002). *e-Business and e-Commerce Infrastructure*. McGraw-Hill

equipments e.g. cable TV, radio, TV, satellite and mobile phones as well as software which supports the work of the network.

2. Channel communication

3. Format and content publishing, the format of content to present the products and services in order to attract the attention of customers is composed of three parts. Web server, web page and web database.

4. Security system, security is the most necessary that is protected at every step of the commercial electronic systems, especially financial.

Component of E-Commerce

The component of electronic commerce consists of four parts⁷ as follows:

1. *Electronic commerce application* means the system for e-commerce systems for example direct sales, stock supply system, electronic payment systems, supply and order, email, auction, tourism, electronic advertising, customer service, and transportation, etc. In addition, it helps provide the work effectively which is divided into five sections such as

1.1 People including buyers, sellers, middlemen, employees, Information Systems and Management.

1.2 Public policy, including tax, laws, confidentiality, regulations, standard techniques.

⁷ Ibid

1.3 Marketing and advertising including research, marketing, promotion and other web content in relevant to marketing.

1.4 Support services including freight forwarding, payment system, packing and the development of security systems.

1.5 Business partnership including monitoring risks, exchange, electronic marketing, and financial institutions.

2. Infrastructure is divided into five parts:

2.1 Common business service infrastructure such as security of smart card / certificate, electronic payment systems and catalog of products.

2.2 Messaging and information distribution infrastructure such as the standard format for data exchange between organizations through computer (EDI), electronic mail (e-mail), multi-dimensional data , chat rooms.

2.3 Multimedia content and network such as HTML, Java, World Wide Web and VRML.

2.4 Network infrastructure such as Telecom, cable TV, wireless internet, Internet, VAN, WAN, LAN, Intranet, Extranet and incoming calls.

2.5 Communication infrastructure. (Interfacing infrastructure) such as database, transport, clients and applications

3. Management refers to the support that they can work together effectively.

All these are part of the management of the trade which the company must have organization plan, incentive plan and design of work as needed.

Principles of E-Commerce⁸

This order process is known as a shopping cart system and has the following format:

1. Sellers offer the customers and suppliers via the Internet.
2. Customers view the products using the internet.
3. A customer compares information and makes a purchase using add to cart.

3.1 Cart shows the transport cost which is the price of each product including the freight charges for each item. There are different types of transportation. The suggested price and shipping cost make the buyer realize the actual cost before deciding to buy.

3.2 All prices show on the product page together with the photo of products.

3.3 Add product by clicking the button, apply a function to add and calculate the price of goods and freight costs.

3.4 The canceled goods cart allows the buyer the opportunity to cancel the order if required.

4. Customers enter their credit card information.

5. A credit check on the customer's bank then sends the information to the internet.

6. The seller receives data from banks and provides products according to buyers requirement.

⁸ Korper,S., & Ellis, J., (2000). The E-Commerce book: building the E-Empire. San Diego, CA: Academic Press

7. A seller to choose the shipping company then the product is ready for shipment or delivery to the carrier.

8. Carrier shipment to the buyer and collect fees/tax as applicable.

9. Customers pay by debit the customer's bank.

10. The bank pays the seller.

Types of e-commerce systems

Types of e-commerce systems⁹ are as follows:

1. Business-to-Business-B2B is the trade between organization to organization which order a big amount of good or dealer (dealer), this model is very popular because it reduces costs and increase the efficiency of operations.

2. Business-to-Customer-B2C is the trade between the owner of the goods to the clients and customers (retail) without dealer which allows consumers to purchase products at a lower price and open the opportunities to small and medium enterprises (SMEs) can expand to more sales potential.

3. Customer-to-Customer-C2C is a friendly customer trading between the people who use the Internet to send out their unused goods to sell in the manner of garage sell.

⁹ Chen, S. Strategic Management of E-Business. Hoboken N. J. : John Willey, 2004.

4. *Business-to-Employee-B2E* is the trade between organizations with employees in an organization aimed at services available to employees in such areas as information, products and services for employees.

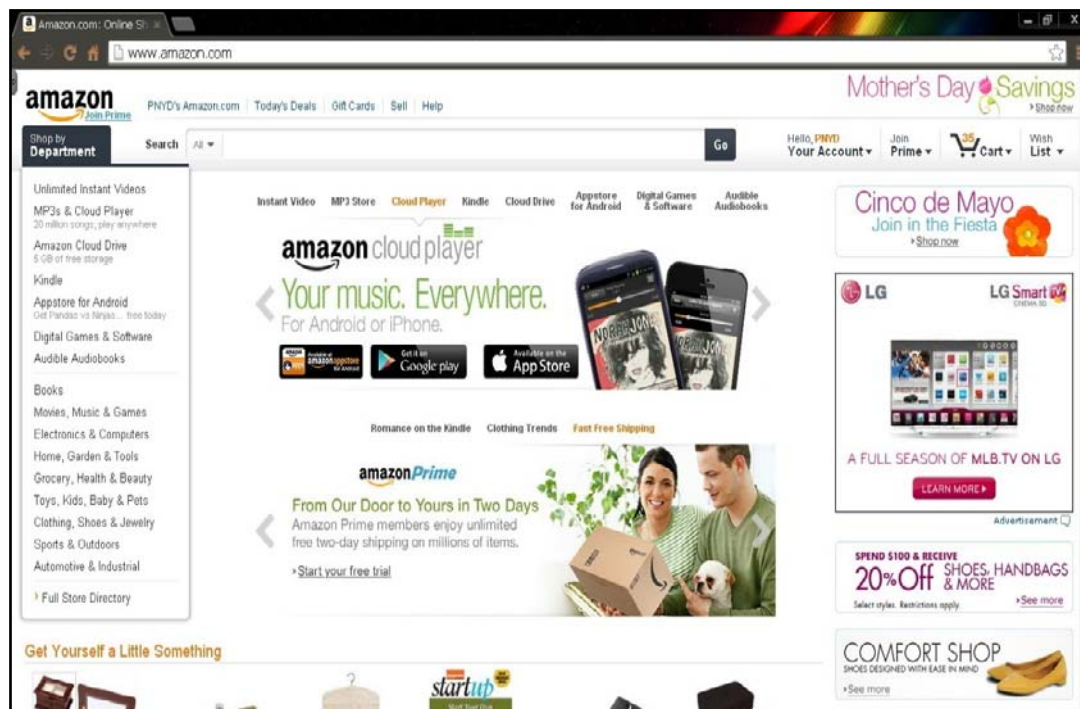
5. *Government-to-Citizen-G2C* is the trade between the government and the people without profit for example the ID card, pay tax as well as business or private entities that want to procure products and services to government agencies.

6. *Exchange-to-Exchange-E2E* is an electronic transaction through the exchange of goods and services between each other for profit.

For businesses that are engaged in electronic commerce, the example below is E-Commerce web is the business and consumer type (Business-to-Consumer, or B2C).

Amazon.com, the largest online bookstore in the world, Amazon.com INC (www.amazon.com) is the world's largest online book seller. The company began operations in 1995 from the sale of the book and expands to others, such as video tapes, CDs, DVDs, electronics, toys, etc., and also expanded in different countries, English, German, French and Japanese¹⁰.

Figure 3: Homepage of Amazon website

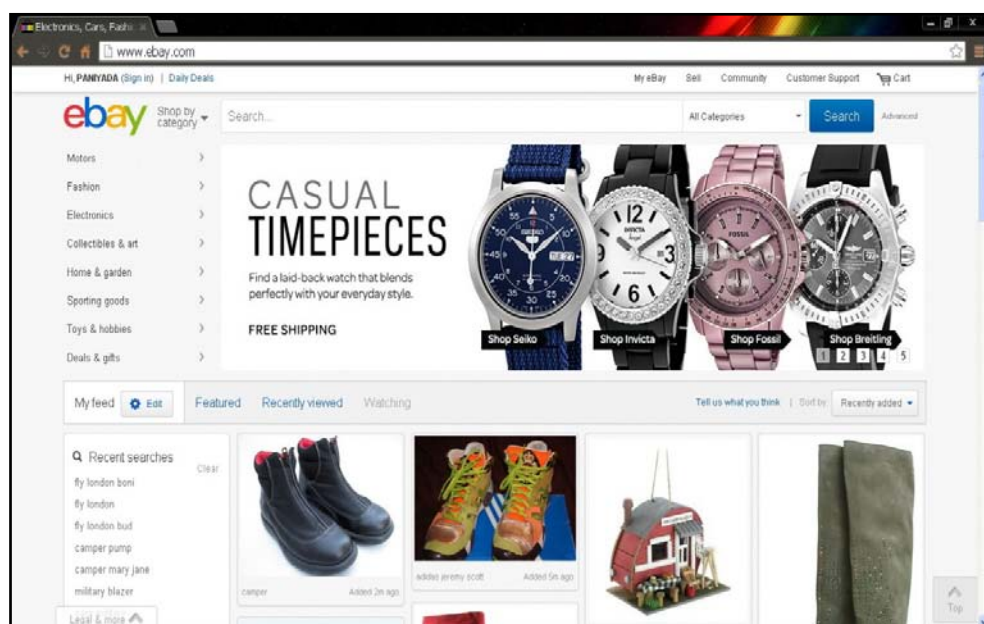


¹⁰ Stephen Chen. *Strategic Management of e-Business* Second edition. Australian National University. John Wiley & Sons, Ltd ,2004

For businesses that are engaged in electronic commerce, the example below shows E-Commerce website is the Customer and consumer type (Customer-to-Customer: C2C)

eBay Inc. (stylized as ebay) is e-commerce web is the Customer and consumer type, The company manages eBay.com, an online auction and shopping website in which people and businesses buy and sell a broad variety of goods and services worldwide In addition to its auction-style selling , the website has since expanded to include "Buy It Now" standard shopping; shopping by UPC, ISBN, or other kind of SKU (via Half.com); online classified advertisements (via Kijiji or eBay Classifieds); online event ticket trading (via StubHub); online money transfers (via PayPal) and other services¹¹ .

Figure 4: Homepage of Ebay website

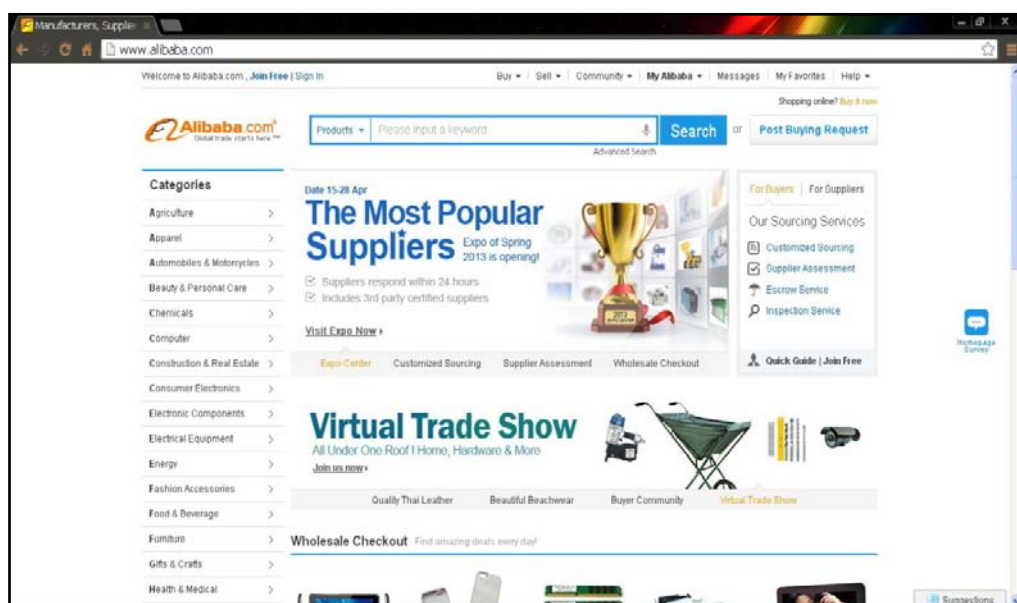


¹¹ Hof, Robert D. "The eBay Economy." Business Week, 25 August 2003, 124–129.

For businesses that are engaged in electronic commerce, the example below shows E-Commerce web is the businesses and businesses type (businesses-to-businesses: B2B)

B2B e-commerce the transactions are made generally between large suppliers and other companies. The companies who purchase from the large suppliers would then sell these products. There are several differences between these business models. However, B2B e-commerce is much more complicated and can involve negotiating contracts, setting customer specific price levels and other company specific criteria. Such as alibaba.com, this is a B2B e-commerce company. Alibaba's primary business is to serve as a directory of Chinese manufacturers connecting them to other companies around the world looking for suppliers.¹²

Figure 5: Homepage of Alibaba website



¹² Hu, Q., Wu, X., and Wang, C.K. (2004), "Lessons from Alibaba.com: Government's role in electronic contracting", info, vol 6 No 5, pp.298-307

Concept of payment

Form of payment in electronic commerce systems has been developed to allow customers to make payments by electronic channel for the convenience of customers. The form of payment via Internet¹³ divided as follows

1. Electronics cash payment is the through Internet by conversing the money into the model of electronics, when need to purchase from the seller the buyer must contact the bank to buy coin as money for electronic payment via the Internet and send the electronic signatures to the bank. The bank will send coin returned to the customer who places the order. The customers pay coin to the seller, after the seller receives the coin and will send it to the bank for verifying the accuracy before transfer money to the seller's account.

2. Electronic check is the payment through the Internet with similar of data as the paper check. When the buyer receives the electronic bill which sent directly from the seller via email, referred to as the "biller", the buyer must make a request for e-Check from the e-Check service providers and write e-Check as the same as writing the paper checks, then send it via email to the seller. When received it, the seller must sign in the endorsement e-Check, writing a bank deposit, send all documents to the bank account. When the bank received it, will send an e-Check to the Bank of Thailand and debit the account of the buyer and transfer to the seller's bank. The seller's bank will transfer the money to the seller account.

¹³ O'Mahony, D., M. Pierce and H. Tewari.(1997). "Electronic Payment Systems" Artech House Pubs.Norwood MA

3. The credit card is the transactions that the seller must have an account with the bank that issued the credit card. By choosing to buy goods and pay the money, the data will send to the seller. The buyer's credit card number will not be sent to the seller but will send to the bank that issued the credit card. After receiving, bank will check for the available balance and transfer money into the seller's account and send email notification to the seller. The seller will deliver the goods to the buyer.

4. Smart card resembles a credit card with magnetic strip. The amount paid will record to the microchip that comes with the card.

Concepts and theories of Consumer Behavior

Customer Behavior is a study on the acquisition and the use of products that lead to satisfy the demand by the ideas and experiences of consumers.¹⁴

The study of consumer behavior needs to be analyzed to find or research on purchasing behavior and use of consumer needs to know the characteristics and purchasing behavior and consumer response. That will allow the marketer can manage a marketing strategy that can respond with satisfaction of the consumers. They must know the motive for making the decision to buy the product from the beginning of the stimulus to raise the demand. The stimulus passes through the emotions of the buyer (Buyer's Black Box), which is like a black box, and the

¹⁴ Madeja, N., and D. Schoder. "Is Customer Relationship Management a Success Factor in Electronic Commerce?," *Commerce Res.* 5(1) : 38-53, 2004.

manufacturer or seller cannot predict the sentiment of buyers that influenced by the characteristics of the buyer, then there will be getting the Buyer's Response, or the Buy's Purchase Decision.¹⁵

Decision of the consumer from the beginning of the stimulus causes demand passed through the emotions of the buyer (Buyer's Black-box), which is like the black box that cannot be predicted. The buyer's emotions are influenced by the stimulus (Buyer's response or Buyer's purchase decision).

This is the beginning of the stimulus and the demand caused by the response. This model is also called SR Theory, which has details of the theory as follows:

Stimulus may arise within the body (Inside Stimulus) from the Outside Stimulus, marketers must interest and arrange the external stimulus to rise the consumer demand. The product as a motive for the purchase (Buying Motive) may consider as a psychological motive (emotion). The external stimulus comprises of two parts¹⁶ :

1. Marketing Stimulus is encouraging marketers to control and provide an incentive for the marketing mix which consists of: 1. Products such as the product design for stimulating the demand; 2. Price such as pricing the goods in appropriate to the product by setting the customers as target; 3. Distribution or Place such as widely distribution of products for the convenience of consumers and stimulate demand

¹⁵ W. Keegan, S. Moriarty, T. Duncan., Marketing. Englewood Cliffs, NJ: Prentice-Hall,1992

¹⁶ Ibid

and 4. Promotion such as regularly advertising, the effort of sales person, reduce-exchange-distribute-add a premium, build relationships with people are considered as a technique to stimulate demand.

2. Other Stimulus is the demand of consumers outside the organization that the company has no control. These actions include

2.1 Economics such as economic conditions, the income of these consumers influencing to the individual needs

2.2 Technological such as a new technology for automatic withdrawal can spur you to use the bank services increasingly

2.3 Law and Political such as law to increase or decrease any commercial product to influence the increase or decrease of the demand of the buyer.

2.4 Cultural such as festival in Thailand will stimulate the demand for consumer goods in that festival.

3. The response behavior is the expresses of consumer to response to stimuli, mental state and consumer mind for decision to purchase the product, consider the number or amount of a brand including consider the frequency and the method of purchasing Therefore, e marketer should provide the convenience and information in relevant to the above consideration in order to allow them o achieve the target at the most effective purchasing decision.

Buyer's response or Buyer's purchase decision, the consumers will have to decide the following issues:

3.1 Product Choice: when the consumers choose the product, the need in the product should come up before seeking in that product to serve the need;

3.2 Brand Choice: when known about the product, consumers will choose the brand to meet their own needs;

3.3 Dealer Choice: it is necessary for consumers to choose the products to choose from reasons such as near home or reliable cheap price;

3.4 Purchase Timing: consumers will purchase their products at the convenient time or stored in advance;

3.5 Purchase Amount: consumers are purchasing in the behavior of the individual one, some people may buy small quantities that enough to use in each time or buy in volume to get the cheaper price.

Factors influence consumer behavior

The study of the factors that influence consumer behavior is to understand the needs of consumers and arrange the proper marketing stimulus. Therefore, the study of the characters of the target buyers is useful to know the needs and characteristics of customers who are part of the marketing mix in order to stimulate and meet the needs of the target buyers who will be influenced by individual psychological factors, external factors or social and cultural factors. The details are as follows.

1. Culture factor as a symbol and a man-made creation that has been recognized from the generation to generation and define and control the behavior of human in the society. The cultural value will define the nature of society and set the difference from one society to the other. Culture sets the needs and the behavior of individuals¹⁷. The marketer must regard the change the culture and carry on the change to set the marketing program for example, the change the culture in Thailand (1) Women have a role in the social, more role in the politics and work and more power in economics (2) Human are regarded to the quality of life (3) Persons are concerned about their health (4) There is a change in habitat (5) The change attitudes towards sexuality (6) People want more convenience (7) Person to enjoy and relax because of working hard. For the factors in this culture, the marketers need to study the Cultural value which means the feeling of the individual in society that comprised of (1) People's views of themselves (2) People's views of others (3) People's views of the organization (4) People's views of society) (5) People's views of nature) and (6) People's views universe which marketers need to study the different values of cultures and define the marketing strategy in line with the cultural value. The strategy to use most is advertising strategies.

2. Social factor is a factor in everyday life and has influenced toward purchasing behavior. The social characteristics comprise of the reference groups,

¹⁷ Hasslinger, A., Hodzic, S., Obazo, C. (2007). Consumer Behaviour in Online Shopping. Kristiansand: Kristiansand University, Department of Business Studies. Source <http://www.divaportal.org/smash/get/diva2:231179/FULLTEXT01>

family, roles and status of the buyer.¹⁸

2.1 Reference groups are groups of people involved. This group seeks to influence toward attitudes, opinions and values of individuals in the reference group including family, friends and neighbors or leading groups of people in society professional colleagues and institutions. Reference group or groups in society will have an influence toward people in a group, the selection of behavior and lifestyle including attitudes, the concept of a person. Because people want to be accepted in the group, they must follow and accept comments from the various groups. The marketers should be aware that how the reference group influence toward the decisions of consumers such as to spread Christianity to the teenager group then use Thailand's leading young singers sing the missionary songs.

2.2 Family, the person in the family is regarded as the most influential person to attitudes, opinions and values. These are to influence toward the buying behavior of the family. The sale of goods, must take into account the characteristics of the consumer families in Thailand, China, Japan or Europe, which are different.

2.3 Roles and statuses, person are associated with several groups of people such as families, reference groups, organizations and individual institutions and will have a different role and status in the group, such as the video sell offered

¹⁸ Hansen, T. "Perspectives on Consumer Decision Making: an Integrated Approach". Journal of Consumer Behaviors, 4(6), 420-437, 2005

for a family, it should to analyze the role that who was the initiative thinking, who will have influence in the decision to buy, buyer and user.

3. Personal factors, the decision of the buyer have the influence from the personal nature in many aspects such as age, family life cycle stage, occupation, economic opportunity, education, life style, personality and the concept of an individual¹⁹ as follows:

3.1 Age - the age that are different will have difference in needs of different products. The segment of consumers based on age contains of less than 6 years, 6-11 years, 12-19 years, 20-34 years, 35-49 years, 50-64 years and 65 years up for example youth groups like to try something new and like items such like fashion and recreation.

3.2 Family life cycle stage - the stage of life of the people in the family. In each stage is to influence demand, attitudes and values of the person making the demand of products and different purchasing behavior. The family life cycle stages consist of each step with the difference of consumption such as officials will buy working clothes and necessary goods, Chairman and wife to buy expensive clothes or air ticket. The marketers should learn that the company's products whose group of people pay interest in order to launch the marketing activities to suit the needs.

3.3 Economic circumstances or Income - the economic

¹⁹ Schiffman, L. G., Kanuk, L. L., Purchasing Behavior (9th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.,2007

opportunities of people can affect the goods and services they decide to buy. These opportunities include revenue, savings, purchasing power and attitude about spending. The marketers must pay attention to the trends of personal income, savings, and interest rates. If the economic downturn, people will have low incomes. Activities must improve the product, distribution, pricing, reduced production and inventory in order to prevent a shortage of circulating capital.

3.4 Education-persons - with higher education are more likely to consume the products with excellent quality more than those with lower education.

3.5 Value or Lifestyle - the value of items or ideas in one certain matter refers to the ratio of perceived benefits to price and the Lifestyle refers to a form of human life in the world expressed in the forms (1) Activities (2) Interests (3) Opinions.

4. Psychological factors, the selection of buying of person has the influence of the psychological factors which is considered as an internal factor of the consumers to influence on the buying behavior and using the products. The internal factors include²⁰: (1) motivation (2) recognition (3) learning (4) trust (5) attitude (6) personality (7) self-concept. The details are as follows:

4.1 Motivation refers to the drive within the person that stimulates the person to operation. The motivation of the individual may be affected by external factors such as culture, social class or the drive that marketers use the

²⁰ Kotler, P., Armstrong, G. (2007). Principles of Marketing. Upper Saddle River, NJ: Prentice Hall

marketing tools to stimulate demand.

4.2 Perception is the process by which an individual has been selected, organized and interpreted information in order to create a meaningful picture or refers to the process of understanding (exposure) of a person in the this world. From this definition, it is seen that the perception is the process of an individual which depends on inner factors such as beliefs, experiences, needs and emotions. There is also an external stimulus to be considered as the screening process. To get a sense of how to feel the five senses of seeing, smelling, hearing, tasting and feeling the process has four awareness phases: (1) Selective exposure (2) Selective attention (3) Selective comprehension (4) Selective retention.

4.3 Learning refers to changes in behavior and (or) the tendency of behavior from the past experience of the individual learning occurring when receives a stimulus and will response to which is the Stimulus - Response (SR) theory. The marketers have applied this theory by repeating the ad or promote the deal (as an incentive) to make the decision to purchase and use the product regularly (Response). To learn a lot of influence on the attitude of trust and past experience, the stimulus will have an influence that causes learning to be valuable in the eyes of customers.

4.4 Beliefs are thoughts that a person holds about something as a result of past experiences such as Pepsi created a trust that a taste of the new generation.

4.5 Attitudes refers to the assess of satisfaction or a sense of personal non-satisfaction moods and trend of practice that affect the mind or one or the emotions of the person toward something. Attitude is one that has a strong influence. At the same time, it has a strong influence on attitudes. The study found that the consumer attitudes and the purchasing decisions are interrelated. Marketers need to study how the attitudes occur and change. The attitude occurs from the information obtained by each person. It was an experience learned in the past about the product or thoughts of the person and the relationship to the reference group, such as parents, friends, leading person in social etc. If the marketers want consumers to buy their products, marketers have choices:

4.5.1 To create the attitude of consumers in accordance with the product of business.

4.5.2 To consider the attitude of the consumer then developed the product to conform with the attitude of consumer; generally, the development of product to be in line with the attitude is easier than to change the attitudes of consumers to demand for the product. Because it takes a long time and use of communication tools in order to change attitudes. The marketers must adhere to the elements of an attitude which has three parts: 1) Cognitive component, the knowledge or belief held about the brand or product of consumer 2) Affective component, the thing about emotion which is relevant with satisfied and dissatisfied about something and 3) Behavior component point, refers to the tendency of the act

that caused from attitude or define the behavior that affect the outcome of products or brand such as stimulating the exchange along the proposed conditions.

4.6 Personality means psychological character with different kinds of people which lead to the response to the environment at the same trend and consistent with Freud's theory of motivation that posted the assumption that psychology which defines human behavior, motives and personality are mostly unconscious which is part of defining of the human personality consisting of Id, Ego and Superego. This theory has been applied to define the consumer personality as well. Freud showed that personality and human behavior is controlled by these basic three levels of mind.

4.7 Self concept refers to person's thought toward self or he thinks of how the other persons (social) have on him; however, there are four cases as follows:

4.7.1 Real self refers to the idea that people are the true self.

4.7.2 Ideal self is the feeling that the person they dreamed to be like. People often make his behavior is consistent with the idea of an ideal.

4.7.3 Real other means that the person looks to see what others (society) see the true self.

4.7.4 The concept of self to others (society), think about self in ideal other which means that individuals need other people (society) think he was in any sense, so marketers need to learn the rules. The decision is as a result of external

factors caused by cultural factors, social and psychological factors that are considered as internal factors, including personal characteristics. These factors are useful for considering the interests of the buyer toward the product which will be used to improve the product, decide on pricing, and arrange the channels of distribution and marketing promotion to create a positive attitude towards the products and companies.

Steps in the purchasing decision of consumers

Buying Decision Process is the step of the purchasing decision of consumers. According to the survey report, a large percentage of the consumer buying process found that the consumer passes through the five stages as follows: the Recognition requirements, Search for information, evaluating alternatives, Purchasing decisions and Behaviors after the purchase which shows that the buying process begins before the real buying and affects after the purchase²¹. The details of each step are as follows:

1. Need Recognition or Problem Recognition mean the individuals in recognition of their needs which may occur by itself or from the stimulus the individual needs including hunger and thirst.

2. Information Search, if the needs are stimulated enough and what that serve needs is near the consumers, they will proceed to be satisfied immediately but sometimes cannot serve needs at once then needs will be remembered for a response later. When needs were accumulated for a lot of amount, it can cause the

²¹ Pride, W. M., Ferrell, O. C. (2007). Foundations of Marketing (2nd ed.). Boston, MA: Houghton Mifflin Company

operation of a condition which is the intention of being responded by trying to find information to meet the requirements that are stimulated.

3. Evaluation of Alternatives, when the consumers get information from the second stage, the consumer will understand and evaluate alternatives. Marketers will need to know how the consumers evaluate the alternative process. Evaluation is not easy and the same process cannot apply to all consumers and is not belong to one buyer at all. The basic concepts to assist in the evaluation process of consumer behavior have several types as follows:

3.1 Product Attributes, the properties of the products caused general interests, consumers will have different needs based on what they interest.

3.2 Consumers weight for the importance of feature of the product differently and consumers believe about the brand due to the belief of the consumers from their experience, specifically the brand is changed at any time.

3.3 Consumers have attitude to choose a brand through the evaluation process begins with a set of properties of the products they interest and then compare the properties of various branded products.

4. Purchase Decision, from the behavior evaluation in Step 3 will allow the consumers to enjoy between the different alternative products. In general, consumers prefer to buy products that most favorite. The decision depends on 3 main factors as follows:

4.1 Attitudes of others mean the attitude of the people involved

which have both positive and negative effects on the decision to buy.

4.2 The situation factors that are predicted before making a purchase is about the situation that the consumers are forecasted the relevant factors such as estimate of family income.

4.3 The situation factors that is not predicted is while consumers decide to purchase there is some situation that is not predicted to be involved and affect the intention of buying such as the customer don't like the manner of salesperson.

5. Post Purchase Feeling, after purchasing and using the product already, the consumers will experience of satisfy or not satisfy with the product which the marketer will need to know the satisfaction level of the consumer. The related theory suggested that the consumer satisfaction is a function of his predictions (Expectation: E) and performance of the product (Performance: P) then satisfied after the purchase (Satisfaction: S). This function means if a product can respond as expected then consumers will be satisfied after purchasing the product.

Concepts and theories of marketing mix (Marketing Mix: 4Ps)

Marketing mix or 4P's means "the manageable market variable" that the company uses together to satisfy the target group consists of Product, Price, Place and Promotion²² as the following details:

1. Product means the offer by the business to meet the needs of the

²² Philip Kotler., Marketing Management, Eleventh edition. Upper Saddle River, NJ: Prentice Hall, 2003

customer satisfaction. The offered product for sales may be tangible or intangible. Product is the most important part of the marketing mix which consists of product, service, idea, place, organization or person. Product must have utility and value in the eyes of customers which will have the effect that the product can be sold. The product must be determined strategies regard to the following factors.

Product Differentiation and Competitive Differentiation refers to the property of the product and other features that superior of the competitors. The service differentiation could be more creative differences than the competitors and customer satisfaction is also called the Augmented Product which including of installation, transportation, customer training, customer service, repairing and other services.

Personal Differentiation means to make a difference in the properties of the personals. Business will have advantage by hiring and training a better job than the competition. The training for the good staff comprises of: 1.competence,employees must have the knowledge proficiency; 2.courtesy, employees must be logged in interpersonal, intimate and judgment; 3.credibility, employees in the companies must be reliable; 4.reliability, staff will work regularly and be able to build trust from customers; 5.responsiveness, employees must provide service and resolve problems with speed to customer requirements and Communication, employees need to apply the effort of understanding customers and use language to understand easily.

Image Differentiation means the creation of different feeling of customers that effect on the product and focuses on psychological or emotion or symbol even the

product can meet the needs of the users like others but the customer will feel the demand (difference) in the image of the product and company.

Product Component is benefit, basic, shape, quality, branded packaging, label and others which can divide into four levels as follows:

1) Core Product is the basic useful of the products that consumers will receive when buy the product.

2) Tangible Product or Generic Product is defined as physical product the customer can contact or can be realized which will add on the completeness of the product to be more persuasive. The samples of appearance of the products are: Quality-good, safe and verified by the Ministry of Public Health; features- color and smell; style- is a modern and easy-modern, convenience to consume and portable; packaging- stored in safety containers; brand- easy to recognize and pronounce and a specific feature.

3) Augmented Product means the additional benefits or services the customer will get along with the purchase including before and after the sale such as installation, transportation, insurance and credit.

4) Expected Product refers to a group of properties and conditions that the customer expected to receive and use as agreement when make a purchase.

2. Price means the value for the product in money; P is the next to the product and the cost of consumers. Customers will compare the value of product and price of products if the value is higher than the price they would buy it. The price

strategist must take into account – the customer acceptance of product value is higher than the price of the product - cost of goods and the costs related - race and other factors.

Price Policies and Strategies are as follows.

1) Discounts refer to the deduction offering in the price to define a list of actions for the buyer to do the marketing action useful to the seller such as volume discounts, trade discounts, cash discounts etc.

2) Product pricing is a pricing strategy to attract consumers to buy more products from the retailer such as pricing, pricing tempting bait, pricing for special occasions, selling a guaranteed interest contract, service providing for reduction along the psychological principles and to promote the sale and returning of money.

3) The level of prices policy refers to the producers will determine the price of the item by position. When comparing with competitors, they may set the price at the price less than or greater than the market price, either the pricing setting, it will has impact on the decision to the price and the using marketing tools.

4) One Price Policy means the producer will set one product at one price for all buyers' the same condition. A single policy does not mean that the price cannot be changed, but it is subject to change at any time and when modified, it must be based on this principle for all buyers.

5) Mark Down is a way to reduce the price from the original price

because it has to change from the market Conditions, competition and other environmental situations.

3. Place or Distribution refers to the structure of the channel comprises of institute and activity for moving the products and services from the organization to the market institutions that carry on the product to the market such as the market institution. Marketing activities are activities that assist in the distribution of goods consist of transportation, warehouse and maintain. The distribution is composed of two parts:

1) Channel of distribution means route that the product or rights of the product was changed to the market in the distribution channel which are producers, brokers, consumers or industrial users.

2) Physical distribution refers to the activities to move the product from the manufacturer to the consumers or industrial users.

4. Promotion is the communication regarding the data between the sellers and the buyers in order to create the attitudes and behavior of purchasing. Communication may use Personal Selling and Nonperson Selling. Tools to communicate have several ways which may choose one or more but have to use the Integrate Marketing Communication (IMC) by considering its appropriation with customers, competitors with the aim to achieve the target. The marketing promotion such as Advertising, Personal selling, Publicity and Public Relations and Direct marketing or Direct Response Marketing and online Marketing.

CHAPTER III

RESEARCH METHODOLOGY

This research is a case study of gmarket.co.kr that intends to understand Korean's buying behavior when shopping online. The case study utilizes quantitative research, collecting questionnaires in order to generate data on Korea's online shopping trends. The details of the research methodology are as follows:

Population and Samples

Population

Koreans who have experience with gmarket.co.kr and Koreans who have online shopping experience but never with Gmarket.

Sample

Since the exact population of Gmarket's consumer population is unknown. Data from a statistics website was used to generate a number for sampling. The calculations were done using the formula of Taro Yamane¹

According to the number of Gmarket's consumer updated on March 10'2012, the statistic shows 929,282 people (www.webempires.org²). The sample size in this

¹ Yamane, Taro., *Statistics: An Introductory Analysis. Third edition.* New York : Harper and. Row Publication, 1973

² Gmarket.co.kr visualized. Source : <http://webempires.org/w/gmarket.co.kr> [2012, March10]

research is 100 people based on the reference of Taro Yamane by setting the level at 90% of confidence, and discrepancy at less than 10%.

$$n = \frac{N}{(1+Ne^2)} \quad (\text{At the 90\% confidence level})$$

n is the number of samples

N is size of the population

e is the probability of error allowance

$$\begin{aligned} \text{There by } n &= \frac{929,282}{1+ 929,282 (0.01)^2} \\ &= 99.98 \end{aligned}$$

$$\text{Equivalent to } = 100 \text{ samplings}$$

Sampling method

A sample set of 125 people, so the researchers can select convenience sampling, was take of Koreans who have online shopping experience by the sample with the distribution itself from July to August 2012

Research Instrument

The research instrument used in this study is one set of questionnaires given to respondents with some online shopping experience. The results are summarized below.

Questionnaire

The tool used in this study was a questionnaire to study the behavior and purchasing decisions of consumers through Gmarket.co.kr and to study the behavior and purchasing decisions of respondents who had online shopping experience but never used the Gmarket website.

The questionnaire consists of four sections and are as follows.

1) Personal information such as gender, age, education, occupation and monthly income.

2) Information about the online shopping experience and to identify Gmarket's user behavior. Such as frequency of general online shopping, experience via Gmarket, perception of Gmarket and influential toward Gmarket.

3) Specifics Information about the behavior used services purchased via gmarket.co.kr such as period of use, frequent purchases, reason of purchase, average cost for each purchase, membership grade, promotion concentration, use of Korean websites beside Gmarket, unexpected problems faced, and information that influenced decision making factors the marketing mix includes product, price, place and promotion of respondents who have Gmarket experience.

4) Specifics Information about the behavior used services purchased via general websites such as the experience of respondent towards Korean and Non Korean websites, reasons for not purchasing products via Gmarket and Information that influenced decision making factors the marketing mix includes product, price,

place and promotion of respondent who had online shopping experience but never use Gmarket.co.kr.

Data Collection

This study collected data from the following data sources.

1. Secondary data was collected from journal publications, books, articles, websites and related research to understand the concepts, principles, theories and techniques.

2. Primary data was collected between July – August 2012 by the researcher.

2.1) Information on consumers who purchase products through the gmarket.co.kr website amounted to 125 questionnaires. This represents a 100.0 percent rate of completion and return for the distributed questionnaires.

Analysis of Data

In this study, after collecting all questionnaires, the data was analyzed using the statistic products and service solutions (SPSS) program that calculated Frequency, Percentage and Mean.

Detailed data analysis is show as the following.

1. Frequency and Percentage use to analyze and calculate personal information, information about online shopping experience and to indicate Gmarket's user, Specifics Information about the behavior used services purchased via

gmarket.co.kr and Specifics Information about the behavior used services purchased via general website.

2. Mean use to analyze and calculate Information about influenced factors from two groups of respondents.

3. To find out the relationship from the two groups of respondents, data will be grouped by influenced factors and generate the top five factors and lowest three factors from influential factors later.

4. The Rating Criteria, the questionnaires in part 3 and 4 which concern the evaluation of the respondents are rated on a 4 point Likert scale. Levels of measurement are provided below:

Score	Score Meaning
4	Strongly Agree
3	Agree
2	Disagree
1	Strongly disagree

5. The average level of score, this study separates the score into four groups ranging from the “very low” level to the “very high” level.

The score between	Influenced level
1.00-1.75	Very low level
1.76-2.50	Low level
2.51-3.25	High level
3.26-4.00	Very high level

CHAPTER IV

DATA ANALYSIS AND DISCUSSION

This chapter analyses the result of the research. Research on gmarket.co.kr as a case study of Korean's buying behavior during online shopping was analyzed and processed from literature reviews, references data, news, and questionnaires. To explain the results and discussion, the researcher will point out into quantitative research from questionnaires of which sample size is 125 respondents who have online shopping experience which analysis parts can prove out the invented presumption of behavior used services purchased via gmarket.co.kr such as period of use, product often purchase, reason of purchase, average cost for each purchase, membership grade, promotion concentration, use of Korean website beside Gmarket, unexpected problem faced experience including factors the marketing mix includes product, price, place and Promotion toward purchase products through Gmarket.co.kr, then leads to the conclusion and suggestion in the next chapter.

E-Commerce in Korea

South Korea is noted as having the greatest broadband penetration rate in the world, with over 94% of the population wired to broadband in 2007.¹ Over the

¹ Kim Sang-Bae, Korea's e-commerce: Present and Future. Asia-Pacific Review, Vol.8, No.1, Institute for International Policy Studies, 2001

last decade and a half, internet usage in both households, businesses and organizations have become prompted by enormous federal government assistance and purchases. Extremely high internet penetration and usage rates, continued public sector initiatives, and the encouragement of e-commerce infrastructure investment on the part of the private sector have all contributed to the strength of Korean e-business as a whole. In 2000, South Korea grew to become the initial nation in order to start a third-generation wireless system. Much of the development with broadband took place concerning of which year and 2005, with the total number of households wired to broadband skyrocketing from 30.7% to 92.7%. Somewhat, Japan has a broadband penetration rate of 67.6% of households, a percentage Korea reached five years prior in 2002. Today, commercial broadband services in Korea are the fastest in the world, and the country has already begun the transition to 3.5G.²

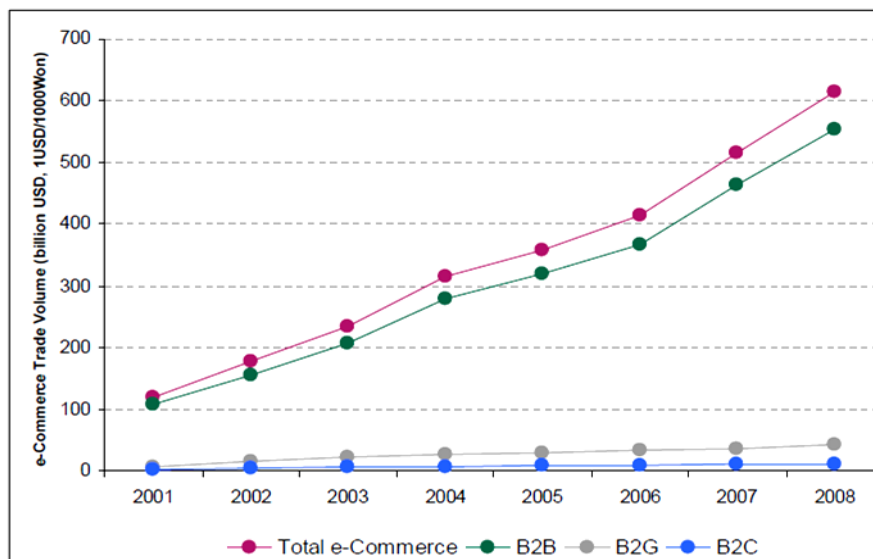
Because of these big investments, e-commerce in South Korea has changed at a remarkably fast rate. From 2001 to 2007, overall e-commerce in the country increased from 118,976 billion won to 516,514 billion won, which constitutes a raise in excess of 330%. The increase of private sector participation inside e-commerce is exhibited through by the figure below. The government is also quite active itself in the utilization of e-business, offering a G2B platform in addition to expanding e-

² Ilsoon Shin, Jungsoo Park, Seonghoon Jeon. The Size, Effect, and Efficiency of Internet Economy in Korea. International Telecommunications Policy Review, Vol.19 No.2 pp.33-67, 2012

commerce possibilities available to companies.³

Additionally, it operates the e-government web site, www.egov.go.kr, where many public services for instance taxation, fiscal services, and pay roll management are offered. Korean nationals are not the only beneficiaries of a high tech government.⁴

Figure 6: E-Commerce Trade Volume in South Korea⁵



B2C e-commerce in South Korea has grown at a rapid pace towards developing full e-commerce. The absolute volume of the B2C e-commerce possesses tripled from 2,580 billion won in 2001 to 8,609 billion won in 2008, amounting to a 230% increase. When the volumes are generally viewed coming from

³ Dr. Ferdinand Pavel, *A Single Market for an Information Society - Economic Analysis The Report for the Directorate General Information Society and Media*, Germany, 2010

⁴ Jeffrey Byun, *The Consumer Internet in South Korea: An American's Perspective*, Master in Business Administration, MIT Sloan School of Management, 2007

⁵ Source from Korean National Statistical Office

a people view, the particular presence regarding B2C e-commerce throughout Korea is possibly sharper. The 2008 Nielsen Global Online Shopping Report found that 99% of internet users in Korea have made a purchase online, the highest rate in the world. In addition, 79% of customers had made a purchase in the last month.⁶

At this time, the Korean Chamber of Commerce and Industry (KCCI) estimates that the retail store industry can increase at only 3.0% but net shopping malls can increase 5.6%. The average online transaction amounts to 83,000 won (KCCI). Moreover, Korean online customers appear to be comfortable with the different e-commerce methods, with 67.3% of online customers paying by credit card and 31.5% using electronic wire transfers.⁷

In fact, The Korean Chamber of Commerce and Industry surveys reveal that the remaining threats to B2C adoption are less related to the quality of B2C infrastructure and more of a mistrust of the B2C notion if potential prospects. The overpowering reason (35.1% of respondents) cited for not purchasing online was that the consumer “had little confidence in the transaction”. Security, as well as comfort worries, were also specified by an additional 10% of respondents.

Finally, despite the robust B2C infrastructure along with willing Chaebol⁸ participation, it is important be aware that the actual comparative discuss associated

⁶ Dr. Ferdinand Pavel, *A Single Market for an Information Society - Economic Analysis The Report for the Directorate General Information Society and Media*, Germany, 2010

⁷ Ibid

⁸ **Chaebol** refers to a South Korean form of business clustered usually owned by a single family.

with B2C e-commerce in total e-commerce is actually small. Its development is overwhelmed by the growth of B2B e-commerce, with its share of the total dropping from 2.17% in 2001 to only 1.86% in 2008. Interestingly, even business-to-government transactions (B2G) make up a bigger portion of overall e-commerce than B2C. Refer back to Figure 1 for a summary picture of the comparative shares of B2C, B2B, and B2G in total e-commerce.⁹

For B2B e-commerce consists of the lion's share of total e-commerce, hovering at around 91% of the total during the period between 2001 and 2008.

The absolute level of B2B e-commerce has speedily improved through the entire time, with all regular twelve-monthly progress charges of B2B e-commerce hovering at 28.3% between 2001 and 2007. In 2008, total B2B e-commerce numbers came in at 420,788 billion won, a 280% jump from 2001.¹⁰

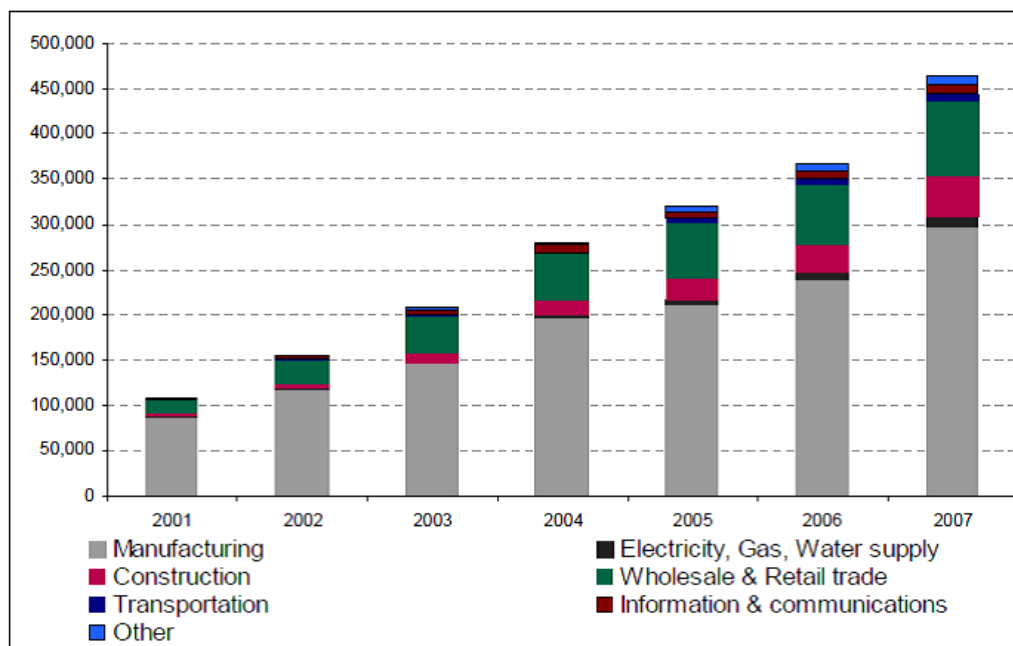
Within the overall growth of B2B e-commerce, different distinctions among sub-sector progress trends are usually noteworthy. Generally, the form a contrast between the thought patterns connected with consumers as well as retailers throughout online business transactions may be witnessed. Buyer-initiated transactions accounted for 72% of B2B transactions, recommending the particular convenience as well as the advantages of B2B are usually noticed in terms of purchasing as opposed to marketing. B2B transaction rates are also varied by

⁹ Dr. Ferdinand Pavel, *A Single Market for an Information Society - Economic Analysis The Report for the Directorate General Information Society and Media*, Germany, 2010.

¹⁰ Ibid

industry. The use of e-commerce is dominated by the manufacturing sector and followed by wholesale and retail trade, even though manufacturing's dominance is decreasing. Many market sectors, however, have exhibited growth in e-commerce throughout this period.

Figure 7: B2B E-Commerce by Industry in South Korea, in billions of Won¹¹



E-business method's of employment are growing amongst corporations, further stimulating Korean e-commerce. As Table 1 displays, e-business methods are being carried out by corporations in a regularly improving 12-monthly charge. These methods are essential supports for both B2B and B2C e-commerce.¹²

¹¹ Source from Korean National Statistical Office

¹² Dr. Ferdinand Povel, [A Single Market for an Information Society](#) - Economic Analysis The Report for the Directorate General Information Society and Media, Germany, 2010

Figure 8: E-Business System Utilization

e-Business System Introduction Rates	2003	2004	2005	2006
ERP (enterprise resource planning)	14.7%	14.8%	23%	24.8%
e-Bidding System	9.8%	10.1%	10%	11.4%
SCM (supply chain management)	4.5%	2.2%	2.9%	3.6%
CRM (customer relationship management)	1.4%	3.6%	4.4%	3.5%

Within the realm of e-commerce, any big change must involve the ever-present Chaebols as well as modest in order to medium-sized enterprises. In spite of the above mentioned makes an attempt because of the Korean government to encourage e-commerce on the part of small to medium-size enterprises (SMEs), it appears that these companies are primarily using the web for public relations purposes rather than e-commerce transactions. According to the KCCI Information Based Operation of SMEs survey in 2008, 73.9% of SME respondents said they would have no options regarding investment decisions throughout information based procedures in the next 2-3 years.

The long term success of SMEs in e-commerce cannot be secured without having more open industry initiatives to motivate an alteration in mindset as well as increased e-business infrastructure uptake for SMEs. Nevertheless, the overall growth of internet usage and e-commerce (both B2C and B2B) in Korea in the last decade remains a strong indicator of the country's rapid advancement as well as command throughout e-business.

Overview of Gmarket

Gmarket (website: gmarket.co.kr) was started in 1999 by Young Bae Ku as the "AuctionWeb" & "ShoppingMall", section of a bigger personal website.¹³ Originally, the site belonged to Online Market Group, a consulting firm. Young Bae originally attempted to register the website "GreenMarket" he found it to be too long, so he shortened it to his second choice, "gmarket.co.kr". Gmarket is based within Seoul, South Korea. He has been supported as Gmarket's leader in addition to Chief executive officer (T.K.S.) since 2000.¹⁴

Figure 9: Gmarket founder Ku Young Bae.



In 2009, eBay purchased Gmarket for an amount comparable to around \$1.2 billion USD. This subsidiary is now called auction web sites eBay Korea Co., Ltd. Young Bae is still as the CEO associated with Gmarket and went with growth options

¹³ Jacqueline Seng. Gmarket founder: E-commerce will grow rapidly in SEA,2013 Source : <http://asia.cnet.com/gmarket-founder-e-commerce-will-grow-rapidly-in-sea-62220380.htm>

¹⁴ eBay Inc, eBay and Gmarket Founder Plan Asia Expansion Through Joint Venture,2010., Source : http://www.ebayinc.com/content/press_release/20100506007_289

into Japan and Singapore.¹⁵

The Quantitative Research Analysis

The results of the quantitative research were obtained from the survey by using questionnaires of population samplings and collecting a sample set of 125 people. The researcher selected convenience sampling from Koreans who have experience with online shopping before by the sample with the distribution itself taking place from July to August 2013. The research conducted used both information from the behavior used services purchased via gmarket.co.kr and the behavior used services purchased from sampling who never use gmarket.co.kr before. Included with information about factors the marketing mix includes product, price, place and promotion which uses SPSS software statistics for analyzing frequency, percentage and mean. They are separated into 4 parts as follows:

- 1) Data Analysis of Respondents' demographics.
- 2) Data Analysis of Respondents' Online shopping experiences.
- 3) Data Analysis of Respondents' with Gmarket experiences and Data Analysis of Respondents' without Gmarket experiences.
- 4) Data Analysis for influenced decision making factors toward Gmarket and data Analysis for influenced decision making factors toward General website.

¹⁵ Gmarket, [eBay to Expand Asian Operations Through Combination With Gmarket, Korea's Largest Online Marketplace, 2010.](http://www.gmarket.co.kr/challenge/neo_contents/company/press_release/press_041509.asp) Source http://www.gmarket.co.kr/challenge/neo_contents/company/press_release/press_041509.asp

Part 1 Data Analysis of respondents' demographics

1.1 The frequency and percentage of Gender

Table 1: Frequency and percentage divided by Gender

Gender	Frequency	Percentage (%)
Male	65	52
Female	60	48
Total	125	100

Table 1 shows that Most of the respondents were Male 65 people (52.0 %) and Female 60 people (48.0%).

1.2 The frequency and percentage of Age

Table 2: Frequency and percentage divided by Age

Age	Frequency	Percentage (%)
Less than 19 years	5	4
20-29 years	99	79.2
30-39 years	21	16.8
More than 40 years	0	0
Total	125	100

Table 2 shows that Most of the respondents were 20-29 years 99 people (79.2%) followed by 30-39 years 21 people (16.8%) and Less than 19 years 5 people (4.0%)

1.3 The frequency and percentage of Occupation

Table 3: Frequency and percentage divided by Occupation

Occupation	Frequency	Percentage (%)
Student	69	55.2
Business Owner	14	11.2
Employee	34	27.2
Others	8	6.4
Total	125	100

Table 3 shows that most of respondents were Students 69 people (55.2%) then Employees 34 people (27.2%), Business Owners 14 people (11.2%) and Others 8 people (6.4%).

1.4 The frequency and percentage of Education level

Table 4: Frequency and percentage divided by Education level

Education level	Frequency	Percentage (%)
Lower than Bachelor degree	36	28.8
Bachelor degree	62	49.6
More than Bachelor degree	27	21.6
Total	125	100

Table 4 shows that Most of the respondents were Bachelor degree 62 people (49.2%), followed by lower than Bachelor degree 36 people (28.8%) and More than Bachelor degree, 27 people (21.6%) represented.

1.5 The frequency and percentage of Average income per month

Table 5: Frequency and percentage divided by Average income per month

Average income per month	Frequency	Percentage (%)
Less Than 500,000 won (15,000 Baht)	70	56
500,001-1,000,000 won (15,000 -30,000 Baht)	26	20.8
1,000,001-2,000,000 won (30,000-60,000 Baht)	15	12
More than 2,000,000 won (60,000 Baht)	14	11.2
Total	125	100

Table 5 show that Most of the respondents were Average income per month Less Than 500,000 won (less than 15,000 Baht) 70 people (56.0%), followed 500,001-1,000,000 won (15,000-30,000 Baht) 26 people (20.8%), 1,000,001-2,000,000 won (30,000-60,000 Baht) 15 people (12.0%) and More than 2,000,000 won (more than 60,000 Baht) 14 people (11.2%).

Part 2: Data Analysis of Respondents' Online shopping experiences

2.1 The frequency and percentage of purchase product online in the past 6 months

Table 6: Frequency and percentage of purchase product online in the past 6 months

Purchase product online in the past 6 months.	Frequency	Percentage (%)
Yes	91	72.8
No	34	27.2
Total	125	100

Table 6 shows that 91 people (72.8%) of respondent have online shopping experience in the past 6 months and the rest of respondents 34 people (27.2%) have online shopping experience more than 6 months ago.

2.2 The frequency and percentage of online shopping experience in Gmarket

Table 7: Frequency and percentage of online shopping experience in Gmarket

Have Online shopping experience in Gmarket	Frequency	Percentage (%)
Yes	81	64.8
No	44	35.2
Total	125	100

Table 7 shows that most of respondents 81 people (64.8%) have online shopping experience in Gmarket and the rest of respondents 44 people (35.2%) do not have online shopping experience in Gmarket before.

Part 3: Data Analysis of Respondents' with Gmarket experiences and Data Analysis of Respondents' without Gmarket experiences.

From the results in part 2 the Researcher was able to indicate respondents and divided them into two groups. Respondent A represented Koreans who have bought online shopping through gmarket.co.kr and Respondents B represented Koreans who had online shopping experience but never used the Gmarket website specifically.

3.1 Data Analysis of Respondents' with Gmarket experiences (Respondent A)

3.1.1 The frequency and percentage of Gmarket.co.kr perception

Table 8: Frequency and percentage of perception toward Gmarket

Channel of perception	Frequency	Percentage (%)
Family	2	2.5
Friend	9	11.1
Internet	58	71.6
Advertising	12	14.8
Total	81	100

Table 8 shows that most of respondents 60 people (74.1%) get to know Gmarket.co.kr from Internet, following with 12 people (14.8%) from Advertising, know from Friend 9 people (11.1%) and 2 people (2.5%) from Family.

3.1.2 The frequency and percentage of influence to make purchase decisions in Products and Service

Table 9: Frequency and percentage on influence to make purchase decisions in Products and Service

Influence to make purchase decisions in Products and Service	Frequency	Percentage (%)
Self decided	45	55.6
Family	4	4.9
Friend	5	6.2
Information from the website	16	19.7
Discussions of social networking	11	13.6
Total	81	100

Table 9 shows that Most of the respondents by Person influenced to make purchase decisions in Products and Service were Self decided 45 people (55.6%), followed Information from the website 16 people (19.7%), Discussions of social networking 11 people (13.6%), 5 people (6.2%) by Friend and 4 people (4.9%) influenced by Family.

From analysis of part 1 and table 8 and 9 we can discern that consumer's buying behavior is influenced by social, individual and psychological factors. Cultural factors exert the broadest and deepest influence¹⁶ which have detail follow as

¹⁶ Philip Kotler & Kevin Lane Keller, *Marketing Management*, Pearson Publishing, 2006

1. Social class

Social class can be split straight into three key communities: higher, moderate and small within the interpersonal criteria consisting of economic condition, income, job, educational background, possessing resources, and authority capability. It does not take the idea that people in the same class behave in the same way but the different classes do not. Additionally, promoting examine observed how the individuals in numerous instructions develop the different alternatives unique product attributes, brand or perhaps goodies via income agent. More frequently, it requires the form involving cultural instructional classes, comparatively homogeneous and also everlasting limbs in the community, which can be hierarchically purchased, and also whose new members reveal equivalent beliefs, interests, and conduct. Social classes have several characteristics. First, those within each class tend to behave more alike than persons from two different social classes. Social classes differ in dress, speech patterns, recreational preferences, and many other characteristics. Second, persons are perceived as occupying inferior or superior positions according to social classes. Third, social classes are indicated by a cluster of variables for example, occupation, income, wealth, education, and value orientation rather than any single variable. Fourth, individuals can move up or down the social class ladder during their lifetime.¹⁷ The extent of this mobility varies according to how rigid the

¹⁷ Anderson, James and Zahaf, Mehdi "Identifying Consumer Behavior Toward Consumer to Consume E-Commerce: Channel Adoption Barriers and Benefits", Preceding of the ASBBS 14th Annual Conference, Las Vegas, USA, 2007

social stratification is in a given society.

Societal classes indicate different product as well as manufacturer preferences in most places, which include garments, furniture, discretion things to do, along with automobiles. Societal classes vary throughout marketing preferences, with second course customers typically preferring a TV set. Even within a marketing class like TELEVISION, second classes customers often favor announcements along with drama, while lower-class customers often favor cleansing soap operas along with sports activity software programs. There are also terminology dissimilarities one of the interpersonal classes. Promoting copy along with discussion should diamond ring legitimate to the focused interpersonal course.¹⁸

2. Reference group

Reference group is a group one person belongs to or is a member, such as a friend group, colleagues group, profession group. Individuals from the same reference group respond alike and purchase services or products in the same manner. A single motive might be accepted in the group they're inside. Most acquired behaviors tend to be influenced through this kind of referrals group; for instance, in the event a customer was in rushing vehicle affiliation, he/she supposed to obtain a hobby vehicle or even 1 the particular group allows. In this instance, the particular internet marketers could evaluate what exactly the patron will buy is actually influenced in the referrals party or even others in order to promote or even connect for the

¹⁸ Philip Kotler & Kevin Lane Keller, Marketing Management, Pearson Publishing, 2006

proper stations. (Referred for the proper group) as well as carry out particular advertising or other tactics which change from in the event of acquiring without having referrals group affect.

Philip Kotler & Kevin Lane Keller (2006)¹⁹ explained that the person's reference groups are comprised of the communities that contain primary (face-to-face) or roundabout impact upon his/her attitudes or habits. Groups which have a direct impact on a man or women are usually referred to as regular membership communities. Many associate communities are primary groups, like family, friends, neighbors, and co-workers, including those with which the individual socializes fairly regularly and informally. In addition people participate in second groups, like religious, professional, and trade union groups, which tend to be more official and also call for less frequent interaction. Everyone is considerably affected through their reference groups in at least three ways. Reference groups expose people to brand new behaviors and standards of living. They also impact attitudes and the self-concept; they create force by conformity which can effect on item and model selections. In addition, everyone is affected through communities to which they just don't are supposed to be. Aspiration groups usually are that someone desires to join; dissociative groups are usually those whose prices or maybe habits somebody rejects.

¹⁹ Ibid

3. Family

There is much more perception based upon this particular institute when compared with other people. Therefore, several products or services in the market that shoppers invest in are swayed from other spouse and children the family is actually the most important buyer purchasing firm within contemporary society and family members are the most influential primary referrals team. We can recognize concerning a couple families inside the buyer's lifetime. The family of orientation consists of mothers, fathers, brothers and sisters. Via their mother and father a person receives a good orientation towards religion, politics, and economics, along with a sense associated with personalized goals, self-worth, and love. Even when the customer does not interact having her or his mother and father will definitely have a substantial impact on his or her behavior. Inside places where mother and father live with grown children this impact is likely to be even greater. A stronger impact on the everyday acquiring behavior is the group of procreation namely, one's spouse and children. With expensive product and service like cars, vacations, or housing, the vast majority of husbands and wives engage in more joint decision making. Provided women's raising success along with earnings bringing income generating ability, economic support corporations such as Citigroup, Charles Schwab, and Merrill Lynch have expanded their effort to attract women investors and business owners. Marketing experts also know that males aren't the key potential buyers connected with high-tech gadgets these days. Ladies buy much more technology than males,

although electronics outlets have been sluggish to catch this trend. A number of informed technology outlets are usually needed to take women's complaints of being dismissed, patronized, as well as upset by salespeople.²⁰

4. Profession and Economic Circumstance

Every profession needs different products or services. As a result, the marketer would likely calculate exactly what profession group this online marketers figure out being the marked group previous to addressing for you to solution layout so that they can match this type of profession group's have to have. Work-related purchases also heavily influences use styles. Any blue-collar technician will purchase work clothes, work shoes, and lunchboxes. A firm leader will purchase dress suits, air travel, and country club memberships. Marketers attempt to recognize these work-related organizations that have over typical fascination with his or her solution and also products and services. A company can even tailor its products for certain occupational groups. Computer software companies, for example, design different products for brand managers, engineers, lawyers, and physicians. Product choice is actually greatly troubled by economic situations: commit capable income (level, stability, and time pattern), benefits along with assets (including the particular proportion which is liquid), bad debts, funding power, along with thought patterns toward wasting along with preserving. Luxury-goods makers for instance Gucci, Prada,

²⁰ Dittmar, H., Long, K. and Meek, R. 'Buying on the internet: gender difference in on-line and conventional buying motivations', *Sex Roles*, Vol. 50, Nos. 5-6, pp.423-444,2004

along with Burberry may be vulnerable to the economic depression. In case economic indicators point out a recession, marketers will take actions to be able to renovate, reposition, along with re-price the items as well as improve the increased exposure of price cut models to enable them to keep providing worth to focus on buyer.²¹

3.1.3 The frequency and percentage of Period of use Gmarket.co.kr

Table 10: Frequency and percentage of period of use Gmarket.co.kr

Period of use Gmarket.co.kr	Frequency	Percentage (%)
Less than 1 years	7	8.6
1-5 years	61	75.3
5-10 years	11	13.6
More than 10 years	2	2.5
Total	81	100

From Table 10 shows that most of the respondents have period of use Gmarket.co.kr were about 1-5 years 61 people (75.3%), followed 5-10 years 11 people (13.6%), less than 1 years 7 people (8.6%) and 2 people (2.5%) use Gmarket more than 10 years.

²¹ Scott A. Neslin, Stephen G. Powell & Linda Schneider Stone. The Effects of Retailer and Consumer Response on Optimal Manufacturer Advertising and Trade Promotion Strategies. *Management Science*, 41(5), 749-766, 1995

3.1.4 The frequency and percentage of Purchase Rate in Gmarket.co.kr

Table 11: Frequency and percentage of Purchase Rate in Gmarket.co.kr

Purchase Rate in Gmarket.co.kr	Frequency	Percentage (%)
1-2 times per week	6	7.4
1-2 times per month	14	17.3
1-2 time per 6 months	40	49.4
More Than 6 months per time	21	25.9
Total	81	100

From Table 11 shows that most of the respondents have Purchase Rate in Gmarket.co.kr 1-2 time per 6 months 40 people (49.4%) following with More Than 6 months per time 21 people (25.9%), 1-2 times per month 14 people (17.3%) and 1-2 times per week 6 people (7.4 %).

3.1.5 The frequency and percentage of Categories which often purchase online in Gmarket.co.kr

From table 12 below, the researcher shows product categories which respondents often purchase online via Gmarket.co.kr. Most respondents, 46 people (34.3%) of respondents had purchased Apparel, following with 16 people (11.9%) for Electronics, 15 people (11.2%) for Beauty, 14 people (10.5%) for Accessories, 12 people (8.9%) for Ticket, 9 people (6.7%) for Book, 7 people (5.2%) for Food, 5 people (3.8%) for Baby, another 5 people (3.8%) for Sport, 3 people (2.2%) for Heath, and 2 people (1.5%) for Furniture.

Table 12: Frequency and percentage divided Categories which often purchase online in Gmarket.co.kr

Product Categories	Frequency	Percentage (%)
Apparel	46	34.3
Accessories	14	10.5
Beauty	15	11.2
Baby	5	3.8
Sports	5	3.8
Electronics	16	11.9
Food	7	5.2
Health	3	2.2
Ticket	12	8.9
Book	9	6.7
Furniture	2	1.5
Total	134	100

3.1.6 The frequency and percentage of Purchase reason

Table 13: Frequency and percentage of Purchase reason

Purchase reason	Frequency	Percentage (%)
Self	72	88.9
Gift	9	11.1
Total	81	100

From table 13 shows that most of respondents have Reason to purchase product for Self 72 people (88.9%) and 9 people (11.1%) purchase for give to other.

3.1.7 The frequency and percentage of average cost for each purchase

Table 14: Frequency and percentage of the average cost for each purchase

The average cost for each purchase	Frequency	Percentage (%)
Less than 20,000 Won (Less than 600 Baht)	22	27.2
20,001-200,000 Won (600 - 6,000 Baht)	38	46.9
200,001-400,000 Won (3,000 - 9,000 Baht)	15	18.5
More than 400,000 Won (More than 12,000 Baht)	6	7.4
Total	81	100

From Table 14 shows that most of the respondents used average cost for each purchase 20,001-200,000 Won (600 - 6,000 Baht) 38 people (46.9%), followed Less than 20,000 Won (Less than 600 Baht) 22 people (27.2%), 200,001-400,000 Won (3,000 - 9,000 Baht) 15 people (18.5%) and 6 people (7.4%) used average cost for each purchase More than 400,000 Won (More than 12,000 Baht)

3.1.8 The frequency and percentage of Respondents' membership grade

Table 15: Frequency and percentage divided membership grade

Membership Grade	Frequency	Percentage (%)
NEW	28	34.6
SILVER	30	37
GOLD	11	13.6
VIP	8	9.9
SVIP	4	4.9
Total	81	100

From table 15 shows that most Membership grade of respondents are SILVER Grade 30 people (37.0%) followed with NEW Grade 28 people (34.6%), GOLD Grade 11 people (13.6%), VIP Grade 8 people (9.9%) and SVIP 4 people (4.9%).

Figure 10: Membership Grade

✓ View benefits for all additional Membership Grades!					
Membership Grades	SVIP	VIP	GOLD	SILVER	NEW
Conditions	Total Credit Points : 50+ & Credit Points Last M : 30+	Total Credit Points : 50+ & Credit Points Last M : 30+	Credit Points Last M : 30+	Credit Points Last M : 30+	Newcomer / No purchase records last 3M

There are 5 levels of membership in Gmarket and consumers have to keep their membership grade²² and benefit by keep on purchasing and collecting Gmileage²³ which is acquired after every purchase to accumulate more credit points²⁴ and to maintain membership grade status. The consumers who have no purchase records in

²² **Membership Grade** Benefits such like free return coupon and discount coupon. The campaign change every month and high membership grade affected to get more benefit.

²³ **Gmileage** accumulate by up to max 1.2% of paid amount can be credited, and it is redeemable to purchase items on Gmarket when collect Gmileage over 10,000 miles.

²⁴ **Credit points** are awarded based on a member's purchase.

last 3 months have their membership grade reset to NEW (newcomer membership grade) again.

3.1.9 The frequency and percentage of Respondents participation in G-LOTTO

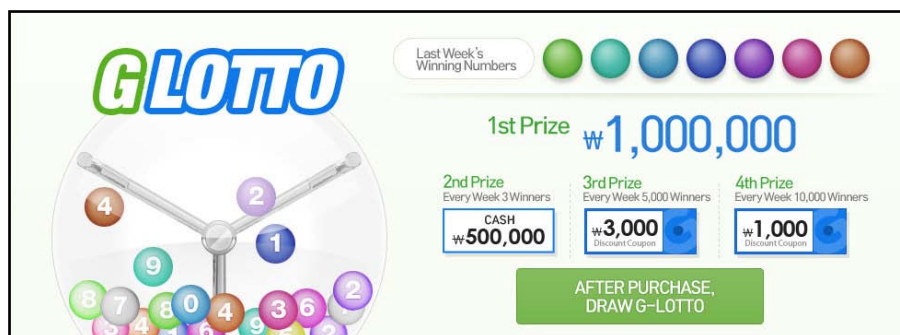
Table 16: Frequency and percentage divided participation in G-LOTTO

Participation in G-LOTTO	Frequency	Percentage (%)
Yes	10	12.4
No	71	87.6
Total	81	100

From table 16 show that 10 people (12.4%) participated in G-LOTTO and 71 people (87.6%) not participate in G-LOTTO.

Since the small numbers of Respondents 12 people (14.8%) of respondents A who have membership grade as VIP or SVIP from table 15 related to the results in participated in G-LOTTO show that 10 people (83.3%) of 12 people who have capacity to play G-LOTTO were participated in G-LOTTO.

Figure 11: G-LOTTO Campaign²⁵



²⁵

G-LOTTO is kind of application in plus zone of Gmarket which objected to gain more concentration from loyal consumer who have high membership grade like VIP or SVIP be able to play G-LOTTO The capable consumer can draw G-LOTTO application after their every purchase and the result will be accumulated by every week which chosen random lottery drawing system.

Figure 12: G-LOTTO Regulation²⁶

If your Membership Grade is SVIP or VIP you can play G-Lotto!
Buy up to ₩3,000 and get 1 G-Lotto exchange ticket.

1. How to play?

Visit Gmarket directly as follow and after purchase, you can apply.

- Typing Gmarket URL in the address bar.
- Installing Gmarket icon on your desktop.
- Add Gmarket to your Favorites.

2. How to draw the winner?

Applicants are chosen by random lottery drawing system.
 (Applicants will be accumulated by every week)

3. How to get the prize?

1st Prize ₩1,000,000 (Every Week 1 Winner)
2nd Prize ₩500,000 (Every Week 3 Winners)

Winners will be announced by an email privately within 10 days.
 Prize will be created into Cash Balance.
 (Taxed and fees will be deducted.)

3rd Prize: ₩3,000 Discount Coupon(Every Week 5,000 Winners)

4th Prize: ₩1,000 Discount Coupon(Every Week 10,000 Winners)

Every Monday, Discount Coupon will be inserted into your coupon box.
 (The coupon is valid for 7 days.)

²⁶ G-LOTTO Regulation source : <http://english.gmarket.co.kr/pluszone/EventPluszone.asp>

3.1.10 The frequency and percentage of use Korean website beside Gmarket

Figure 13: Frequency and percentage divided use Korean website beside Gmarket

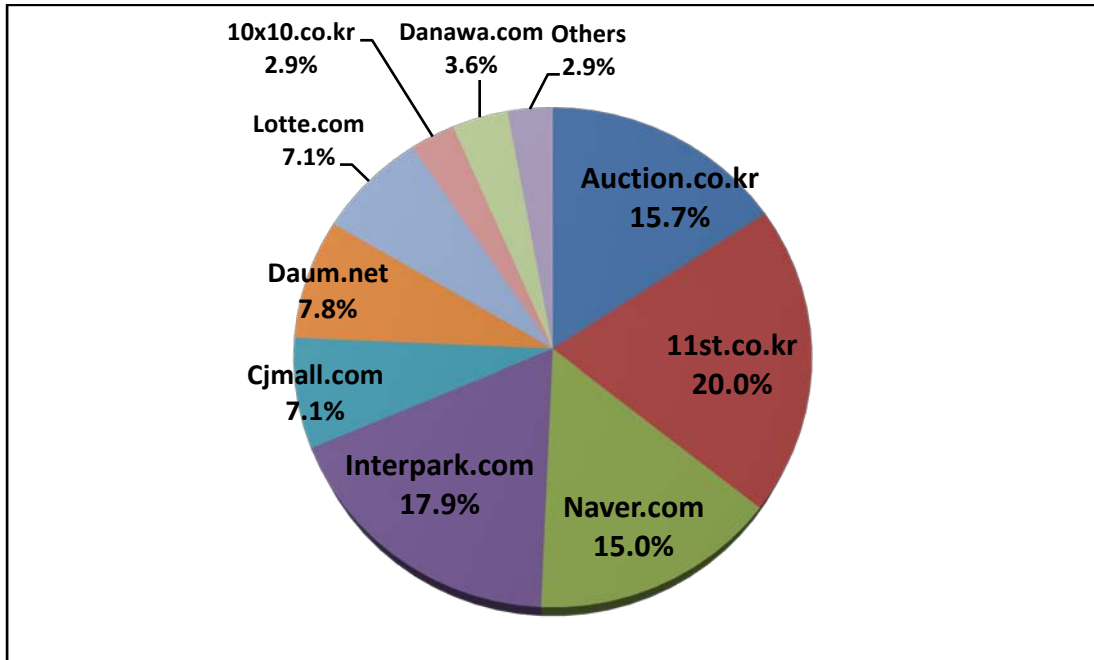


Figure 13, the researcher shows the other Korean websites which respondents also visit for purchasing products. First, 11st.co.kr had 28 people (20.0%) visit, followed by Interpark.com who had 25 people (17.9%) visit, Auction.co.kr had 22 people (15.7%) visit, Naver.com had 21 people (15.0%) visit, Daum.net had 11 people (7.8%) visit, Cjmall.com had 10 people (7.1%) visit, Lotte.com also had 10 people (7.1%) visit, Danawa.com had 5 people (3.6%) visit, 10x10.co.kr had 4 people (2.9%) visit and another 4 people had visited others website not in the list (2.9%).

3.1.11 The frequency and percentage of Faced unexpected problem experience in Gmarket

Table 17: Frequency and percentage of Faced unexpected problem in Gmarket

Faced unexpected problem	Frequency	Percentage (%)
Yes	30	37
No	51	63
Total	81	100

From Table 17 shows that most of the respondents purchase product in Gmarket.co.kr without faced unexpected problem experience 51 people (63.0%) and the rest 30 people (37.0%) faced unexpected problem experience before.

There were 30 people of respondents who have faced unexpected problem experience in Gmarket.co.kr and explore their feedback in Table 19 and Table 20.

3.1.12 The frequency and percentage of unexpected problem experience occur while purchase product from Gmarket

Table 18: Frequency and percentage divided unexpected problem experience

Unexpected problem experience	Frequency	Percentage (%)
Bad product quality	19	63.3
Seller dishonest	3	10
Failed in delivery	8	26.7
Total	30	100

From table 18 shows that respondents who ever faced unexpected problem experience while purchase product from Gmarket.co.kr. Most of unexpected problem experience was Bad product quality 19 people (63.3%) faced, followed Failed in delivery 8 people (26.7%) and Seller dishonest 3 people (10.0%)

3.1.13 The frequency and percentage of Future purchase after faced unexpected problem experience from that seller in Gmarket

Table 19: Frequency and percentage of Future purchase after faced unexpected problem experience

Future purchase	Frequency	Percentage (%)
Yes	4	13.3
No	26	86.7
Total	30	100

From table 19 shows that after faced unexpected problem experience most of respondents 26 people (86.7%) decided to discontinue purchase product from that seller in Gmarket.co.kr and only 4 people (13.3%) continue to purchase from that seller in Gmarket.co.kr

There were 26 respondents who decided to discontinue purchasing products after encountering unexpected problems in their experience with Gmarket.co.kr. Their reasons for discontinue to purchase are show in table 20.

3.1.14 The frequency and percentage of Respondents' reason who discontinue purchase product after faced unexpected problem experience in Gmarket

Table 20: Frequency and percentage divided Reason to discontinue

Reason to discontinue	Frequency	Percentage (%)
Untrustworthy	18	60
Not satisfied	10	33.3
Change to another seller	2	6.7
Total	26	100

Table 20 shows that the 26 respondents who decided to discontinue purchasing products from Gmarket.co.kr, after faced unexpected problems, have specific reasons to discontinue. 18 people (60.0%) felt Gmarket was Untrustworthy followed by 10 people (33.3%) who feel not satisfied and 2 people (6.7%) who changed to another seller when making their next purchase.

3.2 Data Analysis of Respondents' without Gmarket experience. (Respondent B)

3.2.1 The frequency and percentage of Korean website experience.

Figure 14: Frequency and percentage divided Korean website.

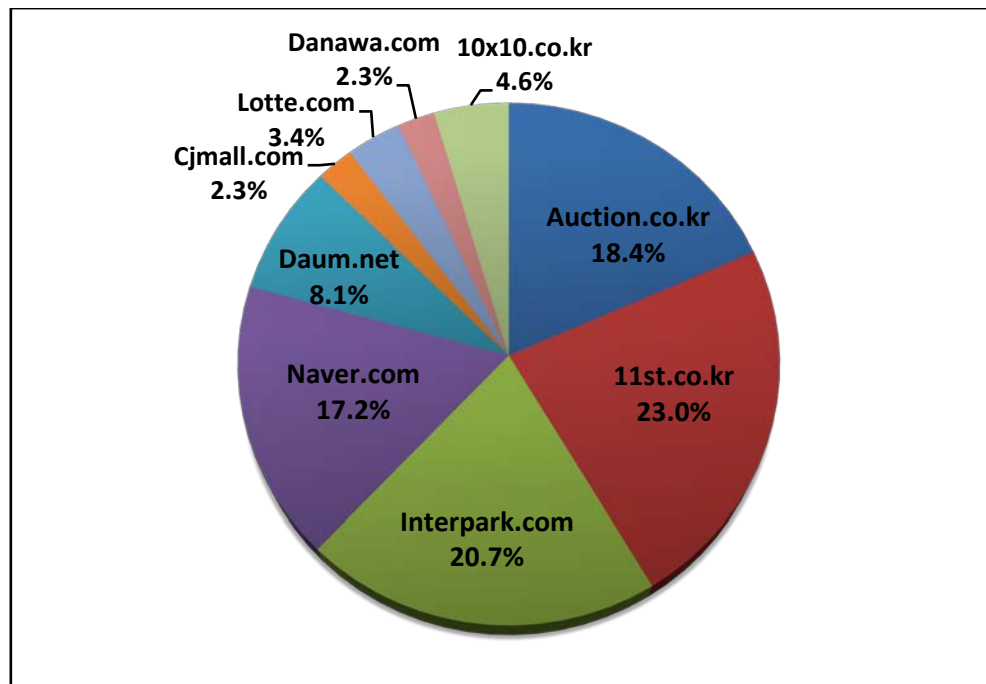


Figure 14 shows Korean websites which respondents B visited when purchasing products. Firstly, 11st.co.kr had 20 people (23.0%) visit, followed by Interpark.com who had 18 people (20.7%) visit, Auction.co.kr had 16 people (18.4%) visit, Naver.com had 15 people (17.2%) visit, Daum.net had 7 people (8.1%) visit, 10x10.co.kr had 4 people (4.6%) visit, Lotte.com had 3 people (3.4%) visit, Cjmall.com had 2 people (2.3%) visit, and Danawa.com also had 2 people (2.3%) visit.

3.2.2 The frequency and percentage of use towards Non-Korean websites.

Figure 15: Frequency and percentage divided Non-Korean website

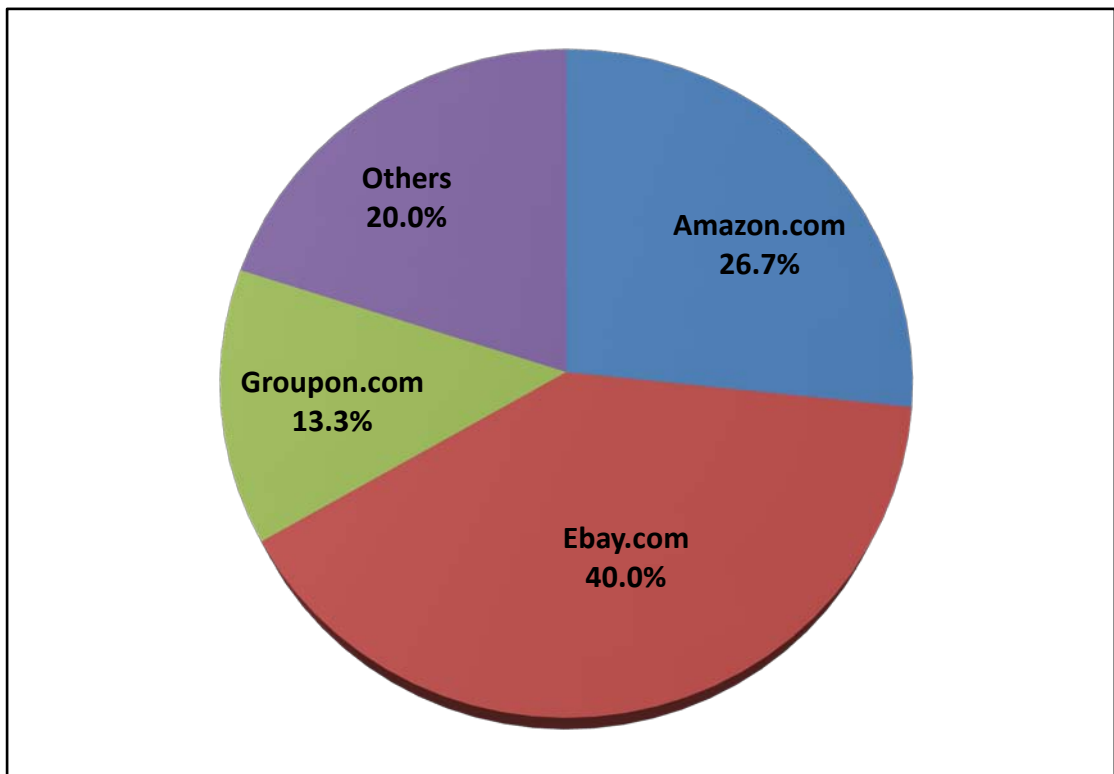


Figure 15 shows Non-Korean websites that 15 people (34%) of respondents B visited to purchase products. Firstly Ebay.com had 6 people (40%) visit followed by Amazon.com who had 4 people (26.7%), Groupon.com had 2 people (13.3%) visit and 3 people (20%) visited other websites which are not listed.

3.2.3 Reason for not purchase product from Gmarket.co.kr

Table 21: Frequency and percentage divided Reason for not purchase

Reason for not purchase	Frequency	Percentage (%)
Don't have pleasing product and service to purchase.	4	9.1
Not familiar with the website lead to difficult use.	17	38.6
Prefer to purchase from familiar website which ever purchase before.	18	40.9
Prefer to purchase from official website of brand owner.	5	11.4
Total	44	100

From table 21 shows the Reason for not purchasing products from Gmarket.co.kr among respondents B. First, preferring to purchase from familiar websites which respondents had used before accounted for 18 people (40.9%), being not familiar with the website lead to difficult use for 17 people (38.6%), preferring to purchase from official websites of brand owners was 5 people (11.4%) and 4 people (9.1%) did not find any product or service they wished to purchase.

Part 4: Data Analysis for influenced decision making factors toward website.

4.1 Data Analysis for influenced decision making factors toward Gmarket

Table 22: Influenced factor toward Gmarket.co.kr

Influenced factor toward Gmarket.co.kr	\bar{x}	Level of opinion
1. Purchase product from Gmarket is trustworthy.	2.91	High
2. Have various and comparable products.	3.01	High
3. Website has good design.	2.51	High
4. Website is easy to use.	2.74	High
5. Instructions on website are clear.	2.67	High
6. Gmarket is convenience can purchase anytime.	2.95	High
7. Gmarket have many methods of payment.	2.85	High
8. Customer service of Gmarket is very helpful.	2.52	High
9. Earn a lots of benefit from being member	2.37	Low
10. Website Promotion encourages me to make more purchase	1.88	Low
11. Product description with full of detail is affect my purchase decision.	3.40	Very high
12. Reasonable price of product in Gmarket more than Offline store.	2.95	High
13. Can choose to purchase from the seller who offers the best price.	3.21	High
14. can choose to purchase the product from power seller who have positive feedback	2.41	Low
15. Receive product within 2-3 days after purchase.	2.99	High
16. Prefer sellers who offered in return product if not satisfied.	3.23	High
17. Prefer sellers who offered in product guarantee money back.	3.40	Very high
18. Satisfied with product after purchase.	2.93	High
19. Satisfied with service after purchase.	2.83	High
20. Normally I use search engine in Gmarket to compare product before make a purchase	2.57	High
Total	2.83	High

Table 22 shows the overall average of influence on decision making factors toward Gmarket from Koreans who have bought online shopping through gmarket.co.kr (Respondents A) is 2.83, which is in the high influenced level. The top five influential factors in determining product purchases from Gmarket are sellers who offer a money back guarantee and sellers who give fully detailed product descriptions. These affect my purchase decision at a very high level ($\bar{x} = 3.40$), high level influences were sellers who allowed consumers to return if they were not satisfied ($\bar{x} = 3.23$), can choose to purchase from the seller who offers the best price ($\bar{x} = 3.21$) and have wide and comparable selection of products ($\bar{x} = 3.01$). The factor least influential in purchases made on the Gmarket website was Website Promotion encourages me to make more purchase ($\bar{x} = 1.88$), which measures in the low influenced level.

4.2 Data Analysis for influenced decision making factors toward General website

Table 23: Influenced factor toward general website

Influenced factor toward general website	\bar{x}	Level of opinion
1. Website is trustworthy.	2.68	High
2. Have various and comparable products.	2.91	High
3. Website has good design.	2.52	High
4. Website is easy to use.	2.61	High
5. Instructions on website are clear.	2.61	High
6. Convenience can purchase anytime.	2.73	High
7. Have many methods of payment.	2.89	High
8. Customer service is helpful	2.61	High
9. Earn a lot of benefit from being member.	2.64	High
10. Website Promotion encourages me to make more purchase	2.04	High
11. Product description with full of detail is affect my purchase decision.	2.86	High
12. Reasonable price of product more than Offline store.	2.98	High
13. Can choose to purchase from the seller who offers the best price.	2.73	High
14. Can choose to purchase from power seller who have positive feedback.	2.55	High
15. Received product within 2-3 days after purchase.	2.91	High
16. Offered in return product if not satisfied.	3.34	Very high
17. Offered product guarantee money back.	3.02	High
18. Satisfied with product after purchase.	2.89	High
19. Satisfied with service after purchase	2.86	High
20. Normally I use search engine in website to compare product before make a purchase.	2.43	Low
Total	2.74	High

The data from table 23 identifies the overall average of influences on Koreans who had online shopping experience but never use Gmarket website when considering general websites. (Respondents B) 2.74 which is in the high influenced level. The top five factors influencing decision making when purchasing products from general websites show that most of respondents are: being able to return a product if not satisfied ($\bar{x} = 3.34$), offered a money back guarantee on the product ($\bar{x} = 3.02$), inexpensive prices relative to an offline store ($\bar{x} = 2.98$), having a wide selection of comparable products and receiving their product within 2-3 days after purchase. ($\bar{x} = 2.91$) The least influential factor towards general websites is Website Promotion encourages me to make more purchases ($\bar{x} = 2.04$), which measured in high influenced level.

4.3 Data Analysis of Influenced decision making factor which have difference level of opinion from two groups of respondents

Table 24: Compare Influenced factor between two groups of respondents

Influenced Factors	A ²⁷	Level	B ²⁸	Level
Offered product guarantee money back	3.4	Very high	3.02	High
Product description with full of detail	3.4	Very high	2.86	High
Offered in return product if not satisfied	3.23	High	3.34	Very high
Earn a lot of benefit from being member	2.37	Low	2.64	High
Use search engine in website to compare product before make a purchase	2.57	High	2.43	Low
Can choose to purchase from power seller who have positive feedback	2.41	Low	2.55	High

When compare the result of influenced decision making factor which impact in online shopping from two groups of respondents A and B by choose the distinguish in level of opinion. The result show that factor that Offered product guarantee money back, very high influenced level ($\bar{x} = 3.40$) for Respondent A but merely high influenced level ($\bar{x} = 3.02$) for Respondent B. Factor that Product description with full of detail, very high influenced level ($\bar{x} = 3.40$) for Respondent A

²⁷ Respondents A is who have online shopping experience in Gmarket 81 people

²⁸ Respondents B is who have no online shopping experience in Gmarket 44 people

but merely high influenced level ($\bar{x} = 2.86$) for Respondent B. Factor that Offered in return product if not satisfied, merely high influenced level ($\bar{x} = 3.23$) for Respondent A but very high influenced level ($\bar{x} = 3.34$) for Respondent B. Factor which Earn a lot of benefit from being member, low influenced level ($\bar{x} = 2.37$) for Respondent A but high influenced level ($\bar{x} = 2.64$) for Respondent B. Factor about use search engine in website to compare product before make a purchase, high influenced level ($\bar{x} = 2.57$) for Respondent A but low influenced level ($\bar{x} = 2.43$) for Respondent B. And Factor that be able to choose to purchase from power seller who have positive feedback, low influenced level ($\bar{x} = 2.41$) for Respondent A but high influenced level ($\bar{x} = 2.55$) for Respondent B.

Hypothesis testing

This study of Koreans' behavior toward online shopping using the case of gmarket.co.kr has four hypotheses. The results of test are as follows;

H₁ Different demographics such as gender, age, income and education affect the use of online shopping with Gmarket.

Table 25: Gender, Age 20-29 years and Product category cross tabulation, N=61

Product Category	Male (N=26)		Product Category	Female (N=35)	
	Age 20-29	%		Age 20-29	%
Apparel	12	46%	Apparel	29	83%
Accessories	1	4%	Accessories	8	23%
Beauty	7	27%	Beauty	7	20%
Baby	0	0%	Baby	1	3%
Sports	4	15%	Sports	0	0%
Electronics	6	23%	Electronics	5	14%
Food	1	4%	Food	2	6%
Ticket	5	19%	Ticket	3	9%
Health	0	0%	Health	2	6%
Book	6	23%	Book	2	6%
Furniture	0	0%	Furniture	1	3%

Analyses selecting respondents of this study whose age ranged between 20-29 years old cross tabulated with gender found that gender, age, occupation, income and education have different impacts in product category they most frequently purchase from. Of the 61 respondents in A, age 20-29 years old 26 were men and 35 were women. The top three product categories which each gender normally purchases with Gmarket are shown in table 25. Men normally purchase apparel 12

people (46%), beauty 7 people (27%), electronics 6 people (23%) and books 6 people (23%). Most women between the age of 20-29 years old normally purchase apparel 29 people (83%), accessories 8 people (23%) and beauty 7 people (20%)

Table 26: Influenced factors toward Gmarket by Gender and Age 20-29 years.

Rank	Influenced factor	Age 20-29			Overall	
		Gender	\bar{x}	Level	\bar{x}	Level
1	Product description with full of detail is affect my purchase decision.	Male	3.38	Very high	3.4	Very high
		Female	3.51	Very high		
2	Prefer sellers who offered product guarantee money back.	Male	3.34	Very high	3.4	Very high
		Female	3.48	Very high		
3	Prefer sellers who offered in return product if not satisfied.	Male	3.15	High	3.23	High
		Female	3.37	Very high		
4	Can choose to purchase from the seller who offers the best price.	Male	3.19	High	3.21	High
		Female	3.25	High		
5	Have various and comparable products.	Male	2.96	High	3.01	High
		Female	3.05	High		
--	---	--	--	--	--	--
18	Can choose to purchase the product from power seller who have positive feedback	Male	2.19	Low	2.41	Low
		Female	2.42	Low		
19	Earn a lots of benefit from being member	Male	2.38	Low	2.37	Low
		Female	2.28	Low		
20	Website Promotion encourages me to make more purchase	Male	1.96	Low	1.88	Low
		Female	1.85	Low		

Table 26 shows that females between 20-29 years old prefer sellers who offered in return product if not satisfied higher than overall results.

Table 27: Occupation and Product category cross tabulation, N=79

Product Category	Occupation(N=65)		Product Category	Occupation(N=14)	
	Student	%		Employee	%
Apparel	43	66%	Apparel	12	86%
Accessories	3	5%	Accessories	2	14%
Beauty	15	23%	Beauty	0	0%
Baby	1	2%	Baby	2	14%
Sports	4	6%	Sports	1	7%
Electronics	11	17%	Electronics	5	36%
Food	3	5%	Food	3	21%
Ticket	8	12%	Ticket	4	29%
Health	2	3%	Health	1	7%
Book	8	12%	Book	1	7%
Furniture	1	2%	Furniture	1	7%

Analyses occupation by selected the most occupation of respondents. There are 65 university students and 14 employees. The top three product categories which each occupation normally purchases from Gmarket are show in table 27. Most of university students normally purchase apparel 43 people (66%), beauty 15 people (23%) and electronics 11 people (17%). Most of employees normally purchase apparel 12 people (86%), electronics 5 people (36%) and tickets 4 people (29%)

Table 28: Influenced factors toward Gmarket by Occupation and Product category.

Rank	Influenced factor	Occupation			Overall	
		N=79	\bar{X}	Level	\bar{X}	Level
1	Product description with full of detail is affect my purchase decision.	Student	3.44	Very High	3.40	Very high
		Employee	3.21	High		
2	Prefer sellers who offering product guarantee money back.	Student	3.23	High	3.40	Very high
		Employee	3.42	Very High		
3	Prefer sellers who offering in return product if not satisfied.	Student	3.21	High	3.23	High
		Employee	3.35	Very High		
4	Can choose to purchase from the seller who offers the best price.	Student	3.20	High	3.21	High
		Employee	2.78	High		
5	Have various and comparable products.	Student	3.00	High	3.01	High
		Employee	2.92	High		
--	---	--	--	--	--	--
18	Can choose to purchase the product from power seller who have positive feedback	Student	2.36	Low	2.41	Low
		Employee	3.21	High		
19	Earn a lots of benefit from being member	Student	2.29	Low	2.37	Low
		Employee	2.71	High		
20	Website Promotion encourages me to make more purchase	Student	1.89	Low	1.88	Low
		Employee	1.78	Low		

The opinion levels of influenced factors fluctuated greatly between these two occupations. The results are shows in table 28. For university students, a money back guarantee was less influential than the overall results. In term of employees, they prefer sellers who allowed consumers to return a product if not satisfied, sellers who have positive feedback and where they can earn a lot of benefits from membership. Those factors have opinion levels higher than the overall results but

the only factor about product description with full detail are lower than overall results.

Table 29: Education level and Product category cross tabulation, N=78

Product Category	Education (N=61)	
	Bachelor	%
Apparel	38	62%
Accessories	10	16%
Beauty	14	23%
Baby	2	3%
Sports	3	5%
Electronics	10	16%
Food	5	8%
Ticket	8	13%
Health	3	5%
Book	6	10%
Furniture	0	0%

Product Category	Education (N=17)	
	Higher	%
Apparel	6	35%
Accessories	3	17%
Beauty	1	6%
Baby	3	18%
Sports	2	12%
Electronics	6	35%
Food	2	12%
Ticket	2	12%
Health	0	0%
Book	2	12%
Furniture	2	12%

Analyses education level by selecting the highest education level of respondents. There were 61 people whose highest level of education was a bachelor degree and 17 people with a higher level than bachelor degree. The top three product categories which each education level normally purchases at Gmarket are show in table 29. Most of the respondents whose highest level of education was a bachelor degree normally purchase apparel 38 people (62%), beauty 14 people (23%), accessories 10 people (16%) and electronics 10 people (16%). Most respondents whose highest level of education was higher than a bachelor degree

normally purchase apparel 6 people (35%), accessories and baby 3 people (18%) as well as sports, food, tickets, books and furniture 2 people (12%).

Table 30: Influenced factors toward Gmarket by Education and Product category.

Rank	Influenced factor	Education			Overall	
		N=78	\bar{x}	Level	\bar{x}	Level
1	Product description with full of detail is affect my purchase decision.	Bachelor	3.42	Very high	3.40	Very high
		Higher	3.39	Very high		
2	Prefer sellers who offering product guarantee money back.	Bachelor	3.4	Very high	3.40	Very high
		Higher	3.41	Very high		
3	Prefer sellers who offering in return product if not satisfied.	Bachelor	3.22	High	3.23	High
		Higher	3.29	Very high		
4	Can choose to purchase from the seller who offers the best price.	Bachelor	3.21	High	3.21	High
		Higher	3.23	High		
5	Have various and comparable products.	Bachelor	3.02	High	3.01	High
		Higher	2.97	High		
--	---	--	--	--	--	--
18	Can choose to purchase the product from power seller who have positive feedback	Bachelor	2.36	Low	2.41	Low
		Higher	2.51	High		
19	Earn a lots of benefit from being member	Bachelor	2.42	Low	2.37	Low
		Higher	2.32	Low		
20	Website Promotion encourages me to make more purchase	Bachelor	1.88	Low	1.88	Low
		Higher	1.88	Low		

The opinion levels of influential factors fluctuated between these two education levels. The results are shows in table 30. For those with a level of education higher than a bachelor degree, the most influential factors were if sellers

allowed customers to return products they were not satisfied with and if sellers had positive feedback. These factors are higher in influence for this demographic compared to the overall results. For respondents whose highest level of education is a bachelor degree the opinion level did not change.

Table 31: Income and Product category cross tabulation, N=81

Product Category	Income (N=48)		Product Category	Income (N=33)	
	< 500,000	%		> 500,000	%
Apparel	31	65%	Apparel	15	45%
Accessories	10	21%	Accessories	4	12%
Beauty	12	25%	Beauty	3	6%
Baby	1	2%	Baby	4	12%
Sports	4	8%	Sports	1	3%
Electronics	10	21%	Electronics	6	18%
Food	2	4%	Food	5	15%
Ticket	4	8%	Ticket	8	24%
Health	2	4%	Health	1	3%
Book	7	15%	Book	2	6%
Furniture	0	0%	Furniture	2	6%

Analyses average income by selected the most average income of respondents and compared with the rest. 48 people had an average income higher than 500,000 won (higher than 15,000 Baht) and 33 had an average income lower than 500,000 won (lower than 15,000 Baht). The top three product categories which each average income normally purchases from Gmarket are show in table 31. Most of respondents who have an average income lower than 500,000 won (lower than 15,000 Baht) normally purchase apparel 31 people (65%), beauty 12 people (25%),

accessories 10 people (21%), and electronics 10 people (21%). Most respondents with an average income higher than 500,000 won (higher than 15,000 Baht) normally purchase apparel 15 people (45%), tickets 8 people (24%) and electronics 6 people (18%).

Table 32: Influenced factors toward Gmarket by income and Product category.

Rank	Influenced factor	Education			Overall	
		N=81	\bar{x}	Level	\bar{x}	Level
1	Product description with full of detail is affect my purchase decision.	< 500,000	3.45	Very high	3.40	Very high
		> 500,000	3.30	Very high		
2	Prefer sellers who offering product guarantee money back.	< 500,000	3.33	Very high	3.40	Very high
		> 500,000	3.45	Very high		
3	Prefer sellers who offering in return product if not satisfied.	< 500,000	3.08	High	3.23	High
		> 500,000	3.45	Very high		
4	Can choose to purchase from the seller who offers the best price.	< 500,000	3.18	High	3.21	High
		> 500,000	3.24	High		
5	Have various and comparable products.	< 500,000	3.02	High	3.01	High
		> 500,000	2.98	High		
--	---	--	--	--	--	--
18	Can choose to purchase the product from power seller who have positive feedback	< 500,000	2.33	Low	2.41	Low
		> 500,000	2.51	High		
19	Earn a lots of benefit from being member	< 500,000	2.35	Low	2.37	Low
		> 500,000	2.39	Low		
20	Website Promotion encourages me to make more purchase	< 500,000	1.87	Low	1.88	Low
		> 500,000	1.87	Low		

The opinion levels of influenced factors also fluctuated between the two income levels. The results are shown in table 32. For an average income level higher than 500,000 won (higher than 15,000 Baht) the opinion level of influential factors preferred sellers who allowed customers to return unsatisfactory products and choose to purchase with sellers who have positive feedback are higher than the overall results. For the respondents who have an average income lower than 500,000 won (lower than 15,000 Baht) the opinion level did not change.

The results above prove that the hypothesis; that different demographics such as gender, age, income and education affect the use of online shopping with Gmarket, corresponded with assumptions.

H₂ Women are more concerned about product quality and if they are able to return the product if not satisfied than men are.

Table 33: Women prefer sellers who offered in return product if not satisfied than men.

Prefer sellers who offered in return product if not satisfied.		Strongly Agree	Agree	Disagree	Strongly Disagree	\bar{x}	Level	
Gender	Male	39	13 (33%)	20 (51%)	4 (10%)	2 (5%)	3.12	High
	Female	42	21 (50%)	16 (38%)	3 (7%)	2 (12%)	3.33	Very High
Total		81	34 (42%)	36 (44%)	7 (9%)	4 (5%)	3.23	High

Table 33 shows that females are influenced at a very high level by sellers who allow unsatisfactory products to be returned compared to men who are influenced at a high level. From the results above can proof that the hypothesis; Women are more concerned about product quality and if they are able to return the product if not satisfied than men are corresponds with the original assumption.

H₃ Products from Gmarket.co.kr are more reasonably priced than general offline stores.

Table 34: Purchase the product from Gmarket is more reasonable price.

Reasonable price more than general Offline store		Strongly Agree	Agree	Disagree	Strongly Disagree	\bar{x}	Level	
Gender	Male	39	7 (18%)	25 (64%)	7 (18%)	0 (0%)	3.00	High
	Female	42	5 (12%)	28 (67%)	9 (21%)	0 (0%)	2.90	High
Total		81	12 (15%)	53 (65%)	16 (20%)	0 (0%)	2.95	High

Table 34 shows that respondents who had experience with Gmarket have a high influence level when considering the price of Gmarket products compared to an offline store. The results above prove the hypothesis; Products from Gmarket.co.kr are more reasonably priced than general offline stores, agreed with the assumption.

H₄ Consumers who have used Gmarket place importance on the benefits of being a member more than consumers who have never used Gmarket.

Table 35: Respondents A place important on the benefits of being member more than Respondents B.

The benefit of being member	Gender N=125		\bar{x}	Level	Overall	
					\bar{x}	Level
Respondents A (Have Gmarket Exp.)	Male	39 (48%)	2.38	Low	2.37	Low
	Female	42 (52%)	2.28	Low		
Respondents B (No Gmarket Exp.)	Male	26 (59%)	2.76	High	2.64	High
	Female	18 (41%)	2.44	Low		

Table 35 shows that respondents A are influenced a low amount when considering the factor of earning a lot of benefits from membership than respondents B who were influenced a high amount. The results shows that the hypothesis; Consumers who have used Gmarket place importance on the benefits of being a member more than consumers who have never used Gmarket did not meet the original assumption.

CHAPTER V

CONCLUSION AND SUGGESTION

This chapter reviews the purposes and presents a summary with suggestions obtained from this study. In addition, the final section discusses the limitations of this study and provides suggestions for further study.

Conclusion

There are three objectives in this study. First is to study the formats of Korea's E-Commerce. Second is to study the patterns of Korea's online shopping behavior toward Gmarket. Last is to identify the factors influencing people to make a purchase via online shopping in Gmarket.co.kr.

This study used information gathered from literature reviews, references data and news for the first objective and used the result of questionnaires for the second and third objectives. The questionnaire part, collected data from 125 Korean people, both male and female, who have online shopping experience during July to August 2012. Descriptive statistics for finding the demographic of respondents, consumer's behavior, and influenced factors toward online shopping were calculated into percentage and average.

The results from review references data found that the formats of Korea's e-Commerce were similar to other countries. Only B2C (Business to Consumer) e-

commerce was outstanding because of government support and the conformity with the Korean lifestyle made the number of B2C e-commerce increase extremely quickly within the past decade.

The results of questionnaires show that most of the respondents were male, aged 20-29 years old, occupations were most often university student with the highest degree of education being a Bachelor degree and an average income per month of less than 500,000 won (less than 15,000 Baht).

Respondents A, who have online shopping experience with Gmarket, 81 people found that most of the respondents know Gmarket from the Internet, have used Gmarket for 1-5 years, make purchases at a rate of 1-2 times per 6 months, purchase for themselves, spend an average of 20,001-200,000 won (600-6,000 Baht) per purchase and mainly buy from the apparel category. Most of them are Silver and New membership grade cause produce an effect that low participation in Glotto in this study. The top three websites which they access besides Gmarket are 11.co.kr, Interpark.com and Auction.co.kr respectively. 37% of respondents A have faced an unexpected problem during their experience with Gmarket. The major problem is receiving a bad quality product and after this experience most consumers deemed the store unreliable and discontinued shopping with that seller.

The top five factors influencing respondents in group A are: a product description with full detail, sellers offering a money back guarantee, sellers who offered to return a product if the buyer was unsatisfied, can choose to purchase

from the seller who offers the best price, and various and comparable products also affected. The least three influential factors are: if buyers can choose to purchase the product from a seller who has positive feedback, if they earn a lot of benefit from being member and website promotion. These factors had a low effect on consumer's purchase decisions.

The results of respondents B who have no online shopping experience with Gmarket 44 people found that the non-Korean website which they access are ebay.com and amazon.com. The Korean websites that they access are 11.co.kr, Interpark.com and Auction.co.kr respectively. Since they prefer to purchase from familiar websites, whichever they had used before learning about Gmarket, they do not use Gmarket.

The top five factors influencing respondents in group B are: they prefer sellers who offered to return a product if the buyer was unsatisfied, sellers offering a money back guarantee, sellers offering a more reasonable price than general offline stores, various and comparable products and receive products within 2-3 days after their purchase. The least three influential factors are: the design of the website, use of the search engine in website to compare product before making a purchase, and website promotion. These factors had a low effect on consumer's purchase decisions.

When comparing answers between respondents A¹ and B² have the different factors as follow; Respondents A place more importance on product descriptions

¹ Respondents A is who have online shopping experience in Gmarket 81 people

that are full of detail than respondents B. Respondents A place more importance on sellers offering a money back guarantee than respondents B. Respondents B place more important on sellers who offer to return a product if the customer is not satisfied more than respondents A. Respondents B placed more importance on earning a lot of benefits from membership than respondents A. Respondents A place more importance on using the search engine in website to compare products before making a purchase than respondents B and Respondents B place more importance on choosing to purchase the product from a seller who has positive feedback than respondents A.

The results of the hypothesis testing found that different demographics affect the use of online shopping. When analysing the population with ages between 20-29 years old cross tabulation with gender found that gender, age, occupation, income and education have different impacts in the product category of frequent purchases. Men were found to purchase from a larger variety of product categories than women such as electronics and books whilst women preferred to purchase only apparel accessories and beauty products. The opinion level of influential factors also fluctuated, such as females with ages between 20-29 years old placing a higher priority on sellers who offered to return a product if not the customer was not satisfied.

² Respondents B is who have no online shopping experience in Gmarket 44 people

Occupation: Frequently purchased product categories which are different between university students and employees. The opinion level of influential factors are fluctuate greatly between these two occupations such as employees preference for sellers who offered to return product if the customer is not satisfied, can choose to purchase with sellers who have positive feedback and can earn a lot of benefits from being member. Those factors have an opinion level higher than the overall results. In terms of university students, however, the opinion level of influential factors about preference for sellers who offer money back guarantees are lower than overall results.

Highest education level: Comparing between those with a bachelor degree and those with higher than a bachelor degree they typically make frequent purchases in different product categories. Higher than a bachelor degree purchase various products categories except beauty and health but bachelor degree purchase only apparel, beauty, accessories and electronics. The opinion level of influential factors fluctuated between the two groups of education with higher than a bachelor degree preferring sellers who allowed consumers to return a product if not satisfied and choosing to purchase with sellers who have positive feedback higher than the overall results but respondents whose highest education level is a bachelor degree did not see this change in opinion level.

. Income: Respondents of this study who had an income lower than 500,000 won (lower than 15,000 Baht) compared with the rest of respondents who has an

income higher than 500,000 won (more than 15,000 Baht) found that product categories in which frequent purchases were made were different between the two income levels. The group that had an income of more than 500,000 won purchase a larger variety and more costly products than the group that had an income less than 500,000 won such as electronics and tickets. The group with an income less than 500,000 won, however, mainly purchased from the apparel, accessories, electronics and beauty categories. The opinion level of influenced factors also fluctuated between the two income levels. The group with an income of more than 500,000 won prefer sellers who allowed customers to return products if not satisfied and choose to purchase with sellers who have positive feedback higher than overall results. The group that with an income less than 500,000 won, however, did not see a change in their opinion level.

The hypothesis that women are more concerned about product quality and if they are able to return an unsatisfactory product than men accorded with assumptions. The hypothesis that products from Gmarket are more reasonably priced than general offline stores also corresponded with assumptions. The last hypothesis, however, that consumers with any Gmarket experience place a high degree of importance on the benefits of membership, compared to consumers who have never used Gmarket, did not meet expectations.

General suggestions

Demographic factors such as gender, age, income and education have affected online shopping behavior. Examining the results, the policy for the Gmarket Company should be adjusted to match the behavior of the target group according to gender aspects, age group, income and education level. For example, if the company would like to focus on the target group with an age range of 20-29 years old they should implement the policy of having detailed product description for every item on the Gmarket website, encourage sellers on Gmarket to provide a money back guarantee on their products and allow unsatisfied customers to return their product if not satisfied. When targeting males product categories should emphasize apparel, beauty, electronics and books. For females the apparel, accessories and beauty categories should be emphasized. In order to gain more consumers the company should also improve their product recommendation page. Developing it to be a distinctive point for attracting more consumers to the website.

Future sales policy targeting consumers who have never used Gmarket should focus on supporting the sellers in Gmarket who allow consumers to return products they are unsatisfied with, provide money back guarantees, price items lower than a general offline store, have a wide selection of comparable products and ensure that consumers will receive their product within 2-3 days of purchase.

Moreover, consumers are seeking items that can show what they really are. The policy for a Website Company should focus on presenters that can represent the

Gmarket website and brand image well. The presenter of Gmarket should have various characters to match different consumers' style. Consumers are more likely to make purchases on Gmarket if they see presenters with a similar character to them or their idol, that have the same lifestyle, and who love to shop online via Gmarket like them. They feel they are making a connection with this lifestyle and want to purchase products from Gmarket in order to show their support for their idol whilst making necessary purchases.

Research Limitation

Due to the limited sampling size this study might not represent all of Korean behavior toward online shopping and impact the actual result in a few levels but this study can reliably represent the 929,282 people who accessed Gmarket.co.kr and generated the results on Koreans' online shopping behavior with Gmarket.co.kr.

Actually, this study of Korea's online shopping behavior with Gmarket should have variables about the processes advancing information technology. Due to limitation of Korean language eliminated the use of important data which could have benefitted this study. There are also limitations with the design of the questionnaire, such as the connections between the questions are not logically developed enough.

Future Research

This study of Koreans' behavior toward online shopping using the case study of Gmarket.co.kr has generated insightful information but still faced some limitation. Additional study is required for a more complete understanding of e-commerce and online shopping trends in Korea. Recommendations for further study are as follows:

- 1) Further study should expand the scope of this study by including a broader sample in order to compare the transition of Koreans behavior towards online shopping and should collect data from a different period of time to provide more robust results.
- 2) A comparative study among Gmarket's consumers should be conducted. Such as one comparing foreign consumers and Korean consumers.
- 3) A study comparing consumers' behavior when shopping with Gmarket and another website should be conducted.

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APPENDIX

Questionnaire

Part 1: Demographics of Respondents

1. Gender

- Male Female

2. Age

- Less than 19 20-29
 30-39 40 and over

3. Occupation

- Student Business owner
 Employee Others _____

4. Highest education level

- Lower than Bachelor Degree Bachelors
 More than Bachelor degree

5. Monthly Income (KRW)

- Less than 500,000 won 500,001-1,000,000 won
 1,000,001-2,000,000 won More than 2,000,000 won

Part 2: Respondents' Gmarket experiences.

6. Have you ever purchase product online in the past 6 months?

- Yes No

7. Have you ever purchase product from Gmarket?

- Yes (go to Section 3) No (go to Section 4)

Part 3: Respondents' with Gmarket experiences.

8. How do you know Gmarket?

- Family Friend Internet
 Advertising Others _____

9. What influence to make purchase decisions Products and Service?

- Self decided Family Friend
 Information from the website Discussions of social networking

10. How long have you purchase product from Gmarket?

- Less than 1 year 1-5 years
 5-10 years More than 10 years

11. How often do you purchase product from Gmarket?

- 1-2 times per week 1-2 times per month
 1-2 time per 6 months More Than 6 months per time

12. Normally, which product category you purchase online from Gmarket?

(Can answer more than one answer)

- Apparel Accessories Beauty
 Baby Sports Electronics
 Food Health Ticket
 Book Furniture Others _____

13. You normally purchase product online from Gmarket for?

- Self Gift Others _____

14. Normally, how much did you spend per item from Gmarket?
- Less than 20,000 won 20,001-200,000 won
- 200,001-400,000 won More than 400,000 won
15. What is your member level now?
- New Silver Gold
- VIP SVIP
16. Do you participate in G-LOTTO?
- Yes No
17. Beside Gmarket.co.kr, which Korean website you often visit to purchase?
- Auction.co.kr 11st.co.kr Naver.com
- Cjmall.com Daum.net Interpark.com
- Lotte.com Danawa.com 10x10.co.kr
- Others _____
18. Do you ever face unexpected problem experience in purchase product from Gmarket?
- Yes No (go to Section 3)
19. What kind of experience you ever faced?
- Bad product quality Seller dishonest Failed in delivery
- Others _____
20. Will you purchase the product from that seller in Gmarket again in the future?
- Yes (go to Section 4) No (go Section 3.1)
21. Why don't you purchase product from that seller in Gmarket in the next future?
- Untrustworthy Not satisfied Change to another seller
- Others _____

Part 3.1: Influenced factor toward Gmarket.co.kr

Please indicate the range of your attitude about purchase product within website

Gmarket.co.kr which you agree or disagree with the following factors,

1= “Strongly disagree”, 2 = “Disagree”, 3 = “Agree” and 4= “Strongly agree”.

Influenced factor toward Gmarket.co.kr	4	3	2	1
	Strongly agree	Agree	Disagree	Strongly disagree
1) Purchase product from Gmarket is trustworthy.				
2) Have various and comparable products.				
3) Website has good design.				
4) Website is easy to use.				
5) Instructions on website are clear.				
6) Gmarket is convenience can purchase anytime.				
7) Gmarket have many methods of payment.				
8) Customer service of Gmarket is very helpful.				
9) Earn a lots of benefit from being member				
10) Website Promotion encourages me to make more purchase				
11) Product description with full of detail is affect my purchase decision.				
12) Reasonable price of product in Gmarket more than Offline store.				
13) Can choose to purchase from the seller who offers the best price.				
14) can choose to purchase the product from power seller who have positive feedback				
15) Receive product within 2-3 days after purchase.				
16) Prefer sellers who offered in return product if not satisfied.				
17) Prefer sellers who offered product guarantee money back.				
18) Satisfied with product after purchase.				
19) Satisfied with service after purchase.				
20) Normally I use search engine in Gmarket to compare product before make a purchase				

Part 4: Respondents' without Gmarket experience.

22. Which Korean website you ever purchase?

(Can answer more than one answer)

- | | | |
|--|-------------------------------------|--|
| <input type="checkbox"/> Auction.co.kr | <input type="checkbox"/> 11st.co.kr | <input type="checkbox"/> Naver.com |
| <input type="checkbox"/> Cjmall.com | <input type="checkbox"/> Daum.net | <input type="checkbox"/> Interpark.com |
| <input type="checkbox"/> Lotte.com | <input type="checkbox"/> Danawa.com | <input type="checkbox"/> 10x10.co.kr |
| <input type="checkbox"/> Others _____ | | |

23. Which global website you ever purchase?

(Can answer more than one answer)

- | | | |
|---------------------------------------|-----------------------------------|--------------------------------------|
| <input type="checkbox"/> Amazon.com | <input type="checkbox"/> Ebay.com | <input type="checkbox"/> Groupon.com |
| <input type="checkbox"/> Others _____ | | |

24. Why don't you purchase product from Gmarket?

- Don't have pleasing product and service to purchase.
- Not familiar with the website lead to difficult use.
- Prefer to purchase from familiar website which ever purchase before.
- Prefer to purchase from official website of brand owner.
- Others _____

Part 4.1: Respondents' without Gmarket experience.

Which following factor will lead you to purchase product General website

Please indicate the range which you agree or disagree with the following factors,

1= "Strongly disagree", 2 = "Disagree", 3 = "Agree" and 4= "Strongly agree".

Influenced factor toward General website	4	3	2	1
	Strongly agree	Agree	Disagree	Strongly disagree
1) Website is trustworthy.				
2) Have various and comparable products.				
3) Website has good design.				
4) Website is easy to use.				
5) Instructions on website are clear.				
6) Convenience can purchase anytime.				
7) Have many methods of payment.				
8) Customer service is helpful				
9) Earn a lot of benefit from being member.				
10) Website Promotion encourages me to make more purchase				
11) Product description with full of detail.				
12) Reasonable price of product more than Offline store.				
13) Can choose to purchase from the seller who offers the best price.				
14) Can choose to purchase from power seller who have positive feedback.				
15) Received product within 2-3 days after purchase.				
16) Offered in return product if not satisfied.				
17) Offered product guarantee money back.				
18) Satisfied with product after purchase.				
19) Satisfied with service after purchase				
20) Normally I use search engine in website to compare product before make a purchase.				

BIOGRAPHY

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