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Abstract

The popularity of B2C e-commerce among Finns has continuously increased as consumers have gained access to a vast network of web shops globally. The proliferation of web shops has resulted in a more competitive market which has also attracted the attention of multinational online marketplaces. As a result, smaller e-tailers have been forced to counteract the unrivaled pricing and business model of large multinational corporations to regain a lucrative and sustainable foothold on the market.

This thesis investigates potential countermeasures by exploring nonmonetary incentives that influence the purchase decisions of Finnish consumers shopping online. Sub-questions are concerned with the motivation of selecting a web shop for purchasing, the role of nonmonetary incentives in purchase decisions and how Finns give value to them and why. The theoretical framework is based on findings in prior research regarding consumer perceptions in online shopping, the utilitarian and hedonic purchase behavior, herd behavior and impulse purchasing.

The selected qualitative research approach studies Finnish e-shoppers of the most active age category through a semi-structured pilot interview and focus group interview. The collected nonmonetary incentives form eight main categories in the research data, comparable with six factors identified in the theoretical background. Both categorizations acknowledge and exclude an additional group related to monetary incentives which are not the focus of this thesis.

The results present a multifold of nonmonetary incentives that emphasize the importance of swift and extensive customer service, the scope and quality of product selection and information, along with a streamlined purchase process and a personalized shopping experience. In addition, ambiguous or suspicious communication of the web shop operations cause uncertainty and mistrust which may deter potential customers. A cumbersome or incomprehensible web shop structure may result in a similar outcome.

The findings provide a notable foundation for future research which may focus on specific incentives to describe them in greater detail, or to verify their relative influence on purchase decisions in Finland or other contexts. A larger sampling may also generate further information on the prevalence of utilitarian and hedonic characteristics among respondents.

Key words	B2C e-commerce, purchase behavior, nonmonetary incentives, Finland
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Tiivistelmä

Kuluttajaverkkokaupan suosio suomalaisten keskuudessa on kasvanut jatkuvasti ja kuluttajien käytettävissä onkin jo globaali valikoima verkkokauppoja. Kauppojen lisääntyminen on johtanut yhä kiristyvään kilpailuun, johon myös monikansallisten markkinapaikkojen on ollut helppo liittyä. Samalla pienemmät verkkokaupat ovat joutuneet uudistamaan strategiaansa menestyäkseen suurten yritysten ylivoimaisen hinnoittelun ja liiketoimintamallin rinnalla.

Tämä tutkielma perehtyy mahdollisiin kilpailukeinoihin ei-rahallisissa kannustimissa, jotka vaikuttavat suomalaisten kuluttajien ostopäätöksiin verkossa. Tutkimuksen alakysymyksinä tutustutaan motivaatiotekijöihin verkkokauppavalinnoissa, ei-rahallisten kannustimien vaikutuksiin ostopäätöksissä sekä suomalaisten arvonmäärittämiseen ostotilanteissa. Teoria käsittelee aikaisempia tutkimuksia kuluttajien kokemuksista sekä utilitarista ja hedonistista ostokäyttäytymistä, laumakäyttäytymistä ja impulssiostamista.

Tässä kvalitatiivisessa tutkimuksessa paneudutaan aktiivisimpaan verkko-ostajien ikäryhmään Suomessa puolistrukturoidun pilottihaastattelun ja ryhmähaastattelun keinoin. Tutkimuksessa muodostetaan kahdeksan ei-rahallisiin kannustimiin pohjautuvaa pääkategoriaa, jotka vastaavat kuutta teoreettisesta viitekehystä havaittua tekijää. Lisäksi molemmat ryhmittelyt tunnistavat ja tarkoituksellisesti erottelevat yksittäiset rahallisiin kannustimiin keskittyneet ryhmät, jotka eivät ole tutkimuksen päätavoitteita.

Tuloksissa esitellään monipuolinen kokoelma ei-rahallisia kannustimia, jotka korostavat nopeaa ja laajaa asiakaspalvelun tasoa, tuotevalikoiman ja tiedon kattavuutta sekä johdonmukaista ostoprosessia, jossa on huomioitu henkilökohtainen kokemuksellisuus. Lisäksi verkkokaupan monitulkintaisen tai epäilyttävän viestinnän koetaan lisäävän epävarmuutta ja horjuttavan kaupan uskottavuutta, mikä saattaa karkottaa potentiaalisia asiakkaita. Kömpelöllä ja hankalasti ymmärrettävällä verkkokaupparakenteella havaitaan samankaltaisia seurauksia.

Tutkimuksen havainnot koostavat merkittävän pohjan tulevaisuuden tutkimukselle, joka voi keskittyä valittujen kannustimien tarkempaan kuvailuun tai niiden suhteellisen merkityksen varmentamiseen kuluttajien ostopäätöksissä Suomessa ja muissa yhteyksissä. Laajemmalla otannalla voidaan myös paremmin kuvata utilitaristisen ja hedonistisen ostokäyttäytymisen esiintyvyyttä ja vaikuttavuutta vastaajien keskuudessa.

Avainsanat	B2C-verkkokauppa, ostokäyttäytyminen, ei-rahalliset kannustimet, Suomi
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**UNIVERSITY
OF TURKU**

Turku School of
Economics

NONMONETARY INCENTIVES IN ONLINE PURCHASE DECISIONS

**An exploratory research on Finnish consumers' purchase behavior in
the 2020s**

Master's Thesis
in International Business

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15.03.2021
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The originality of this thesis has been checked in accordance with the University of Turku quality assurance system using the Turnitin OriginalityCheck service.

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1 INTRODUCTION

1.1 Background and motivation

The role of internet in people's everyday lives has continued to grow, as a total of 89% of Finns at the age of 16–89 had used the internet in 2018. Within the same age range around 76% of the Finnish population had surfed online multiple times a day and 47% had purchased something during the last three months. The most active shoppers were found in citizens with 35–44 years of age, for which the corresponding quotient for making online purchases was as high as 76%. The second most active shoppers were 25–34 years of age with an online shopping quotient of 72%. The respective figures for shoppers in these age groups were only 69% and 68% in 2015 and for all age groups 46%. (Official Statistics of Finland 2015; 2018)

This shows an increasing shift toward online purchases as more and more people have access to the internet and include it in their daily routines. Simultaneously, the ever-growing use of personal smartphones had reached an accumulated total of 80% among all age groups. However, these devices were used for online purchases by only 1% to 50% of users between different age groups within the last 12 months in 2018 (Official Statistics of Finland 2018). According to the Finnish payment service provider Paytrail, up to 63% of Finns at the age of 25–34 and 29% of 66–74-year-old Finnish consumers had purchased something on their mobile device by 2019 (E-commerce trends 2020).

Though a handful of electronic retailers, or e-tailers, have been able to follow in the footsteps of these figures and increase online sales year after year, a considerable amount of these sales has also started to flow to large multinational online marketplaces like Amazon and Alibaba, which have consistently managed to attract not only local consumers but international clientele thanks to their unrivaled pricing and product selection as well as the efficient logistics network (Galloway 2017). These e-commerce giants have aggressively increased their global market share to the extent where Amazon has already been reported to account for 13.3% of the global retail e-commerce market share in 2018 (Global retail e-commerce market share of Amazon from 2016 to 2019, Statista).

Due to the fierce price competition and the substantial global market share of e-commerce giants, smaller web shops have been forced to rethink their strategy to protect their business and ensure growth in the future. Since economies of scale primarily benefit companies that reach higher quantities of a given product in production, small and medium-sized enterprises struggle to cut on costs and compete with the prices of similar products (Gallo, Gallo & Randazzo 2017). As a result, other factors have become increasingly important for companies to differentiate themselves from their competitors. Some of these competitive advantages emphasize the value of nonmonetary, or non-price-

related, incentives which are the focus of this thesis. With the rapid development of the online shopping channels, companies and consumers are constantly introduced to new technologies and solutions that strive to facilitate the purchase process and generate more sales at the same time.

In fact, reports on recent and future trends in e-commerce refer to an omnichannel approach where the shopping experience is of uttermost importance (The great e-commerce research 2019, Posti Group Oyj; E-commerce trends 2020). Consumers seem to expect a more personalized shopping experience where little time is lost in less personal mandatory stages of shopping like payment processing. Instead, consumers seem to have assumed web shops as a significant channel in shopping and have even begun to expect constant development and adaptation of web shops according to their personal feelings and needs. (E-commerce trends 2020.)

Due to the increasing number of active Finnish e-shoppers, the total number of purchases made yearly, and the proliferation of web shops globally, the unique competitive advantages of web shops are more and more important in building a lucrative business. As web shops strive to boost sales, shipping companies and customs struggle with handling the massive number of consignments while balancing fair trade terms between domestic and foreign web shops (Brexit is only the beginning – the customs will have 40 times more work after VAT is imposed on online purchases from China., Yle). For example, the Finnish postal and logistics service provider, Posti Group Oyj, imposed a new handling fee of 2.90 euros for all incoming extra-EU consignments exceeding 22 euros in value starting from 31st January 2020 (Incoming consignments from outside of the EU with value over 22 euros subject to handling fee, Posti develops customs declaration online, Posti Group Oyj). Interestingly, some web shops allow their customers to set the customs value of their order manually before order confirmation to avoid import duties and tax (Karanko 2018). On the other hand, Finland introduces reforms in the customs declaration of commercial goods arriving from outside of the European Union by collecting value-added tax on all goods regardless of their value from 1st July 2021 onward (Do you order goods online? Check the country of origin to save time and money., Customs).

The substantial growth of e-commerce and its rapid technological development create interesting, yet challenging circumstances for new and existing web shops. As opposed to practicing merely price-driven competition, e-tailers are forced to implement novel strategies in their business model, for example, by utilizing nonmonetary incentives. The fierce competition and constant development in e-commerce create an intriguing opportunity for research. Moreover, the personal knowledge and background of the researcher as a web shop entrepreneur, and prior research conducted in the online retail setting all support the realization of this follow-up research.

1.2 Research objective and structure of thesis

This thesis concentrates on the purchase behavior of Finnish consumers and evaluates their motives for making purchase decisions in the online retail context. The focus on online retail encompasses the sale of goods and services to end consumers. The qualitative research conducted in this study aims to recognize current trends in e-commerce and explore nonmonetary incentives that may have a noticeable influence on the purchase behavior of Finnish consumers when planning to shop online.

Even though price-related factors of the business strategy are not the focus of this thesis, the role of monetary incentives is still acknowledged as an inevitable coefficient in the purchase process. Therefore, the direct selling price of products is purposively overlooked notwithstanding its indisputable impact on the purchase decisions among certain types of consumers. Still, some indirect monetary incentives like reward systems and payment services may be discussed to evaluate their nonmonetary aspects in the purchase process.

The purpose of this study is to provide concrete information on strategic maneuvers and concepts in the business plan of web shops that strive to attract consumers with non-financial methods as well. These methods are categorized based on their inherent characteristics into corresponding groups to provide a comprehensive list of nonmonetary incentives that Finns consider influential when opting for a specific web shop and making purchase decisions online. The research question is divided into one main question as well as three sub-questions. The main question of this thesis is:

- Which nonmonetary incentives affect the purchase decisions of Finnish consumers shopping online?

In addition to the main question the following sub-questions are answered:

- What motivates Finnish consumers to select a specific web shop for purchasing?
- What is the role of nonmonetary incentives in the purchase decisions of Finnish consumers planning to shop online?
- How do Finnish consumers give value to nonmonetary incentives? Why?

By finding answers to these questions the underlying motives of selecting a specific web shop for purchasing are studied to understand which aspects of the purchase process Finnish consumers consider influential. The collected data on nonmonetary incentives are then further analyzed to distinguish, to which characteristics of the consumer purchase behavior they are connected and why the incentives have an influence on decisions in the purchase process. This helps e-tailers understand the preferences of their customers and critical aspects that constitute their individual web shop personas. As a result, web shops may incorporate desired changes into their business model to optimize the purchase process for the selected target groups.

After the brief motivational background and objectives of the thesis, the terminology and theoretical background are introduced based on previous studies on perceived benefits and risks in online retail, as well as different approaches to consumer purchase behavior (Rantanen 2018). Moreover, elements of herd behavior and impulse purchasing are discussed to form a more comprehensive understanding of consumers' purchase behavior. This theoretical foundation provides essential elements for the planning and formulation of questions used at the research stage to efficiently explore key nonmonetary incentives in e-commerce. Following the theoretical chapter is the presentation of the research design and the selected research approach. This approach is justified based on the type of data needed in the selected Finnish online context. Here, a more detailed description of the research approach and how the research was conducted are explained. Having analyzed the collected data and evaluated their trustworthiness and the ethical aspects of the research, the results on the discovered incentives are presented with the desired categorizations.

The thesis ends with a discussion and conclusions that bring the initial research setting, questions, and theoretical background together with the generated results. Simultaneously, a toolbox of influential nonmonetary incentives is presented for e-commerce business managers providing and explaining a range of strategic propositions to allow web shops to improve their competitiveness and attractiveness to Finnish consumers. By critically assessing the information generated in this study, e-tailers may harness these findings as partial justification in the restructuring of their business plan, should there be a need for it.

1.3 Definitions and terminology

The shopping channel selected for this research is commonly referred to as e-commerce, business-to-consumer e-commerce, or B2C e-commerce due to its focus on the sales of products and services online between businesses and end consumers. Other terms that similarly derive from traditional business practices are known as electronic retailing, or e-tailing for short (Kolesar & Galbraith 2000, 437; Kennedy & Coughlan 2006, 517–518). Therefore, companies that practice e-commerce generally identify themselves as e-tailers (Kennedy & Coughlan 2006, 517).

Since the inception of e-commerce, e-tailers have employed various technologies and innovations revolutionizing the way of doing business online (Baier & Rese 2020). The most common iteration of online shopping channels is a web shop or online store which is essentially a website that allows consumers to place orders for products and services over the internet. Web shop structures commonly consist of basic elements such as a catalogue of products and services, product-specific pages, and a shopping cart or checkout page that also enables order confirmation and payment processing. Other

channels of online shopping include shopping apps, social media extensions and other forms of e-commerce extensions that allow consumers to shop online (Baier & Rese 2020). Websites that enable multiple third-party vendors to offer their collection of products and services on a centralized sales platform are called e-commerce or online marketplaces, such as Amazon and Alibaba (Vogt 2020). On the contrary, established physical points of sale are commonly referred to as brick-and-mortar stores, walk-in stores, or simply traditional physical stores. Companies that are established in both types of shopping channels are referred to as multichannel retailers (Baier & Rese 2020).

To operate and manage a web shop, e-tailers need to arrange a basic infrastructure that guarantees constant accessibility and shopping fundamentals of their online store. Much like brick-and-mortar stores require the presence of staff, availability of electricity, equipment and so on, web shops are dependent on different service providers that are responsible for the e-commerce platform, domain and payment methods used during checkout. Some of these functionalities may be provided by the same service provider, but they are largely essential for practicing e-commerce. (Aulkemeier, Paramartha, Iacob & van Hillegersberg 2016)

Another indispensable element of commerce, traditional or electronic, is price. Stern (1962, 60) explains that the purchase of a product requires certain resources: money, time as well as physical and mental effort. Money is defined by the selling price of the product itself and all other monetary expenses of the consumer incurred in obtaining the product. Time covers the duration of the shopping process. Physical effort is determined by the energy expended in the movements required for obtaining the product, and mental effort as the cognitive efforts devoted to the planning and arrangements in the purchase process. Similarly, VanScoyoc (2000, 93) defines total costs as all monetary and time investments in addition to other efforts required from the consumer. These two definitions are applied in this thesis, but the term total price is used, instead. This is to emphasize the consumer perspective of expenditure and to avoid misconceptions of total cost, commonly used for the production cost of goods in economics. On the other hand, selling price is exclusively used for the nominal price of products and services that consumers are obliged to pay to the retailer, excluding additional service charges. In other words, selling price is the retailer's estimated value of a product or service having considered the overall value added to the purchase or production price of the retailer.

Value-added contains all factors, with which retailers strive to differentiate from their competitors in case the product or service without added value is very similar. In principle, value-added may consist of anything that retailers use to attract consumers to purchase, including brand, additional features or customization, extended warranty, return and exchange rights as well as other terms and conditions that positively influence the purchase decisions of consumers (Hayes 2020.). In this thesis, all forms and

collocations of the words add and value, such as value-added, value add and add value, carry the aforementioned meaning in commerce.

Finally, nonmonetary incentives comprise all elements of the purchase process that cannot be exclusively related to the monetary value of a product or service. As opposed to monetary incentives, such as price, discounts, and shipping costs for which a precise monetary value can mostly be calculated, nonmonetary incentives emphasize on how the purchase process is managed and how consumers experience shopping online. These types of incentives include the web shop structure, reputation, company values and safety, for example.

2 THEORETICAL BACKGROUND

To gain a better understanding of the motives of consumers selecting a specific web shop for purchasing, the individual purchase behavior and different stimuli that encourage to shop online should be studied. The purchase behavior of consumers has been closely examined for decades. Behavioral aspects that steer the purchase decisions of consumers in traditional shopping channels have been found to apply in the context of e-commerce as well (Chiu, Wang, Fang & Huang 2014; Bilgihan, Kandampully & Zhang 2016). Based on dominant characteristics seen in the purchase behavior of consumers, the categorization of different types of purchase behavior is often twofold; some are considered utilitarian shoppers while others show characteristics of the hedonic purchase behavior (Hirschman & Holbrook 1982b; Batra & Ahtola 1991; Babin, Darden & Griffin 1994).

Due to the inherent characteristics of both types of purchase behavior, they are not equally susceptible to identical stimuli of web shops and the purchase process overall but are instead affected by different aspects at each stage of the process. A common approach to examine and evaluate the role of these stimuli is to divide them into perceived benefits and risks in the eyes of consumers (Forsythe, Liu, Shannon & Gardner 2006; Wani & Malik 2013). This allows for both incentives and disincentives to be recognized and evaluated to form a comprehensive set of influential factors that guide the purchase decisions of consumers.

Since the aim of this thesis is to explore influential nonmonetary incentives in the online setting, the theoretical background of perceived benefits and risks and the psychological factors that steer the human purchase behavior are considered as a justified and valid starting point for this research. First, some common perceptions of consumers planning to shop online are introduced based on prior research in the field. These perceptions are then connected to the hedonic and utilitarian purchase behavior in their respective sub-sections. Finally, the shopping habits of consumers are viewed from the perspective of herd behavior and impulse purchasing, which evaluate the effects of social factors from other consumers, and various shopping stimuli that result in impulsive purchase decisions.

2.1 Consumer perceptions of online shopping

2.1.1 Perceived benefits in e-commerce

A common belief among consumers new to online retail is that prices of web shops are lower than those of brick-and-mortar stores (Jensen, Kees, Burton & Turnipseed 2003; Lo, Chou & Teng 2013; Sachdeva 2016). Brynjolfsson and Smith (2000) confirm that the

prices of e-tailers are, in fact, lower than those of brick-and-mortar stores. The price difference of these two channels has been measured to be anywhere from 8% to 16% depending on whether additional fees such as costs of shipping and handling are included (Brynjolfsson & Smith 2000; Jensen et al. 2003). This combined with the quick and easy accessibility (Forsythe et al. 2006) of web shops with the mere requirement of a suitable device and an internet connection has brought a great number of consumers to familiarize themselves with web shops (Official Statistics of Finland 2014; 2017). This shopping convenience has enabled consumers to shop in the privacy of their home whenever they want also saving the effort of visiting physical stores to purchase products (Forsythe et al. 2006; Sachdeva 2016).

As part of convenience, comfort is highly valued meaning that consumers appreciate the hassle-free environment of web shops where they may browse products and features of the website undisturbed. They do not have to wait to be served and there is not a feeling of urgency present as in brick-and-mortar stores, where time with the sales assistant is limited either due to opening hours or other consumers waiting to be served. Thanks to the perpetual opening hours of web shops, consumers may enter and leave a web shop whenever they wish even without purchasing anything which is often felt as embarrassing by consumers in the traditional retail environment. (Forsythe et al. 2006; Wani & Malik 2013; Sachdeva 2016)

This type of convenience can also be viewed from the perspective of compatibility. Forsythe et al. (2006) adapt the concept of compatibility by Rogers as the degree to which a website corresponds to not just the purchase criteria but the personality and purchase behavior of a consumer. Compatibility can therefore be viewed as the extent to which a website matches the consumer lifestyle and purchase behavior providing a more appealing web shop environment and shopping experience for the individual (Forsythe et al. 2006). A similar phenomenon in business is the concept of brand loyalty or tendency to shop at a certain store, or to buy products that reflect the personality of the consumer (Schultz & Bailey 2000). This, too, is a matter of compatibility that can be seen in traditional retail business as well.

The presentation and quality of information may also complement the personality of a consumer for example by displaying and explaining details and application of the product relevant to the consumer through an accurate description and product photos (Forsythe et al. 2006; Kim, Kim & Lennon 2009; Ha & Im 2012; Anttila 2016, 62–64). In addition to providing product information to help consumers purchase most suitable products, elements like language and type of information may be perceived as a benefit per se, encouraging consumers to visit a certain web shop. After all, this information works as passive communication between the e-tailer and consumers since personal interaction with a sales assistant is not always available nor required on the web. According to

Forsythe et al. (2006), some consumers may even visit a website with the primary purpose of searching for more information about a product before placing an order with any store in either retail format. Simultaneously, consumers may be exposed to a wider range of products that they may not be familiar with, often leading to a prolonged website visit allowing more interaction with the web shop. By providing necessary information and convincing consumers of the integrity of the e-tailer, companies may even be able to persuade them to purchase at best.

Anttila (2016, 62–64) suggests that e-tailers should invest in providing clear, believable, and adequate information about their products, so that it is easily accessible even with mobile devices. This should also be applied to explaining complex matters like the privacy policy and security protocol of the web shop so that potential doubts that might affect the purchase process and trust accumulation with the e-tailer could be eliminated (Li 2007; Riquelme & Romn 2014). Trust positively influences consumers' perceptions of privacy and security which, in turn, are directly related to customer loyalty (Sharma & Lijuan 2014). Privacy and security risks are also getting more and more attention as the screen time and connectivity of consumers on the web increase, and people share more personal information about themselves with various service providers. By clearly explaining the terms of the web shop and justifying the use of information, consumers may even be convinced of the integrity and benevolence of the e-tailer, resulting in a perceived benefit especially in comparison with other less transparent web shops.

The perceived integrity and benevolence of the e-tailer are also influenced by reviews made by other consumers. Positive reviews affect the trust in the e-tailer which consequently encourages consumers to purchase. (Sharma & Lijuan 2014; Zhang, Cheung & Lee 2014; Yin, Bond & Zhang 2014; Sachdeva 2016; Frik & Mittone 2019.) In the event of encountering inconsistent reviews of the e-tailer, the accumulated trust has a significant effect on purchase intentions, which is even stronger among female consumers according to Zhang et al. (2014). Frik and Mittone (2019) argue that consumers also distinguish between publishers of reviews and are more influenced by sources in the traditional media than online sources. However, customer feedback on independent websites does not affect the trust accumulation of consumers more than reviews published on the e-tailer's web shop. Moreover, the existence of merely positive reviews on the web shop has a stronger influence on the purchase intentions of consumers as opposed to web shops with both positive and negative reviews. (Frik & Mittone 2019.) Finally, consumers perceive anxiety-embedded reviews more helpful compared to those written in a state of anger and dissatisfaction (Yin et al. 2014). E-tailers should therefore pay attention to the effect of reviews in different media and emphasize transparency

regarding the quality and extent of information presented on their website, including key partners and service providers of the e-tailer.

Due to the fundamental architecture of e-commerce, online service providers also consist of payment service providers that require personal information to be entered to verify the identity and solvency of a consumer. Since this may be perceived as a financial risk by consumers, e-tailers should make sure to provide enough payment methods for all potential consumers to alleviate inconvenience perceived by consumers sharing personal information with unknown payment platforms unwillingly (Zhou, Long & Yang 2011; Sachdeva 2016). This also creates an opportunity for the e-tailer to surpass competitors in providing more appealing payment methods to consumers which may be perceived as a benefit when comparing web shops. As a result, e-tailers may enable consumers to prepone purchases with the help of personalized payment methods that support their financial situation better. Some shipping methods may also add value to consumers for example in the form of faster delivery times, or home delivery. Moreover, e-tailers may choose to reward consumers that are prone to placing larger orders by offering free shipping costs or gifts on certain terms. Since this could provide added value and even reduce the financial burden for the consumer, it may be assumed that this kind of reward system could be perceived as a sign of retailer benevolence as well.

Benevolence is a key factor when building trust with consumers, as both new and dissatisfied customers may require reassurance before purchasing (O'Donnell 2002). Reassurance may refer to the free return and exchange of products, or extended warranty periods that provide extra protection for the purchase (Cases 2002, 375–392). Moreover, some countries are subject to laws and regulations that require retailers to offer mandatory protection for products. An example of this is the legal guarantee for products sold within the European Union with which all member states must comply (FAQs – guarantees and returns, European Commission). Such trade regulations have been put in effect in favor of end consumers and since they apply to all companies within the market, retailers should both inform their customers and enforce these regulations accordingly. After all, consumers may not be aware of such mandatory protection and may therefore perceive a legal guarantee as an additional benefit when ordering from a web shop. By clearly distinguishing legal and commercial guarantee provided by the retailer, consumers may perceive the operation of a retailer more transparent, and therefore more trustworthy and benevolent.

Guarantee may also be perceived as a sign of service or product quality. A guarantee that adds value to the purchase of a product lowers the threshold of consumers planning to purchase. If a web shop is willing to offer an additional guarantee for its products, consumers may be further convinced that the e-tailer believes in the quality of its products or is at least prepared to provide free after-sales service in the event of a defect.

According to Forsythe et al. (2006) product selection is also an element often perceived as a benefit by consumers. A wide selection gives consumers more alternatives to choose from and ensures that consumers can concentrate purchases with one e-tailer, if necessary (Forsythe et al. 2006; Sachdeva 2016). When assessing product selection, it is also important to take notice of the availability and delivery terms of products, as these may differ between e-tailers. Some web shops may allow consumers to purchase items that are out of stock at the time putting such products in back order, which means that they will be delivered to the customer later. By efficiently incorporating back order items into the product selection e-tailers can expand their product selection generating further sales. Back order items also allow consumers to make more customized purchase decisions that might otherwise be challenging to achieve. Simultaneously, e-tailers may provide more extensive product suggestions and campaigns that may increase impulse purchases and provide more satisfaction with the selection for the consumers.

Furthermore, numerous web shops that do not have a traditional brick-and-mortar store have opened a separate show room for customers to visit, enabling them to physically inspect products before purchasing. This also presents a possibility to interact with the sales assistants in person, which may remove uncertainty encountered with a faceless web shop. Social interaction may be necessary to show genuine understanding and appreciation toward the customer during the purchase process (Bilgihan et al. 2016, 110–111).

Finally, the structure and layout of the web shop are also to be considered since the purchase process takes place on the internet. E-tailers should therefore ensure that the web shop is fast and responsive and meets the needs and expectations of potential customers. (Furness 2007; Sachdeva 2016.) Speed is measured in numerous ways, one of them being load time. This refers to the time that is needed for all content of a website to be completely loaded. Start render time, on the other hand, is the first point in time when something is displayed on the screen. (Interpreting the results, WebPagetest.org.) Moreover, responsive web design (RWD) is an approach that evaluates how a web page renders on different devices, such as personal computers and smartphones (Zeng, Gao & Wu 2014). Responsive web design has become increasingly important with the rapid expansion of the smartphone market in the 2010s. E-tailers have therefore implemented structural changes in their web shops to enhance the shopping experience and overall purchase process. For example, payment processing has received considerable attention, especially with mobile devices as consumers spend more and more time on smart phones (E-commerce trends 2020). By implementing changes that support the purchase process online, e-tailers are able to attract more consumers to their web shop and boost sales as a result. (Furness 2007.)

Web design has even extended to harnessing game elements whose purpose is to introduce motivational incentives in a non-game context. Kari, Piippo, Frank, Makkonen and Moilanen (2016) describe this through the process and experience of gamification. While the process of gamification encompasses the means with which e-tailers implement game elements at any of the purchase stages online, the experience of gamification refers to anything that consumers perceive as playful or gameful (Kari et al. 2016). Such elements allow consumers to engage in the co-creation of personal data which can improve the experience online and simultaneously generate personalized information on the purchase behavior of consumers. Insley and Nunan (2014) even found that some consumers consider online shopping a pastime which they may spend time on instead of exercising, for example. Furthermore, many consumers gain pleasure from competing with other e-shoppers when searching for the best deal online, or by exploiting supposed loopholes in the e-tailers' policies (Insley & Nunan 2014). An example of such exploitation is the phenomenon of deshopping, or returning goods for questionable reasons when the product is not defective and has initially been ordered for other reasons than the interest in the product itself (Schmidt, Sturrock, Ward & Lea-Greenwood 1999).

2.1.2 Perceived risks in e-commerce

Though the general level of selling prices in web shops has been proved to be lower than in physical stores (Brynjolfsson & Smith 2000), not all retailers set separate prices for their brick-and-mortar store and web shop. In fact, some retailers retain identical prices in both shopping channels to attract consumers that appreciate uniform prices across all points of sale. However, financial risks are not limited to the individual selling prices of products. There are numerous financial risks that are mainly incorporated in web shops such as shipping costs, payment service charges, as well as return and exchange fees (Zhou et al. 2011; Sunil 2013; Sachdeva 2016). Most web shops charge customers for shipping and handling to compensate for the costs that are generated when transporting the order from the e-tailer's warehouse to the customer's designated address. Even though some e-tailers have introduced the concept of free shipping, for example when a certain order amount is exceeded, consumers may be discouraged to purchase, since they are forced to purchase more to reduce financial risk caused by additional fees (Huang & Cheng 2015, 194).

These additional fees may also be in the form of transaction costs for using a certain payment method with fixed or variable costs. These surcharges to the customers are collected to cover transaction costs charged by the payment service provider whose revenue model is equally built upon fixed transaction fees or a percentage of the total amount of the order. E-tailers may then decide to which extent they want to transfer these transaction costs to their customers. Even though similar transaction costs are also found

in traditional retail business where non-cash payment instruments are used, they are more prevalent in web shops where an increasing number of payment methods are available and purchase transactions often outnumber those of physical stores. As opposed to customers of physical stores where additional fees are less common, online customers may consider the total price of a product to be that of the individual selling price and any additional costs combined. It may therefore be necessary to not only justify the individual selling price of products, but also additional fees that may be applicable, especially, if the number of free options is limited. Finally, consumers also regard the uncertainty of receiving the correct product or consignment overall as a financial risk that discourages them to shop on the web. (Zhou et al. 2011; Sunil 2013; Sachdeva 2016.)

Since online shopping often implies that consumers are unable to physically inspect the product before purchasing and paying, it creates a physical risk that weakens the overall competitiveness of the web shop against brick-and-mortar stores. Consumers are also forced to wait for the delivery of their order, which may regardless of accurate estimations and efficient transportation networks be delayed, leading to psychological distress in not receiving the order in time, as opposed to brick-and-mortar stores where the customer often receives the product immediately after paying. Moreover, if the product fails to satisfy the initial need of the customer due to a lack of information or inability to inspect the product prior to purchase, the customer may be willing to return or exchange the product. This may, in turn, subject the customer to return and handling fees or other inconvenience further deepening the distress and disinclination toward online shopping. (Forsythe et al. 2006; Hong 2015)

Similarly, incomplete or inaccurate and misleading product descriptions are also examples of information risk. This coupled with missing or inadequate product photos can raise feelings of mistrust toward the web shop provided that the consumer finds these crucial in the purchase process and is not aware of any acceptable explanation for the inadequacy of this information. Soto-Acosta, Molina-Castillo, López-Nicolás and Colomo-Palacios (2014) argue that even information overload negatively influences the purchase intentions of consumers, thus advocating the importance of extensive but concise product descriptions and photos.

Furthermore, inexperienced or cumbersome customer service may cause frustration and even encourage consumers to leave the web shop completely (Anttila 2016, 60–61). In case customer service hours are also limited and service is merely available through limited channels in a foreign language, consumers may be further discouraged to shop with the e-tailer. These affect the overall convenience of shopping online since the principle of shopping effortlessly whenever you want is compromised (Sachdeva 2016).

Few customers are willing to wait undetermined lengths of time to access content they are searching for and to place an order as a result. This kind of time risk is also closely

connected to convenience loss, since potential delays and the overall speed of a website may complicate the purchase process in a given web shop (Forsythe & Shi 2003; Forsythe et al. 2006; Wani & Malik 2013). As previously mentioned, speed can be measured as load time, or as the time a consumer needs to wait before interacting with the website. Even though the load time of a website is not solely dependent on the design and structure of the web shop, consumers may evaluate the speed based on personal experience, potentially underestimating the true nature of the website. In reality, other factors such as the internet service provider, browser and device, with which consumers visit the website also affect the overall load time. Nevertheless, longer load times result in higher bounce rates, or visitors leaving the site before viewing other pages within the same website (Chen 1999, 34, 71, 75; Shaheen 2011, 33).

Consequently, a web shop that is poorly optimized for different devices also creates inconvenience for consumers. Poor optimization may refer to a web shop only having a desktop version of the website available, which means that consumers are forced to view the site as such on their smartphones, leading to extensive scrolling and zooming in and out. Unoptimized web shops complicate the browsing of products and categories as well, which may lead to the consumer not finding the desired products in time (Anttila 2016, 68–70). This may also create displeasure in the shopping experience diminishing impulse purchases and reachability of campaigns.

In addition, unavailability of products at the time of a planned purchase creates a risk with the product selection and may terminate the purchase process completely (Kim 2004). Challenges with unavailability may be alleviated by a wider product selection, though the promotion of like products may require additional efforts from the e-tailer to convince consumers to substitute the desired product with something else. In such cases, the reputation of the web shop and social connectivity with consumers may affect how they perceive suggestions given by the e-tailer.

Consumers may also be hesitant to purchase if the privacy policy and security protocol are not properly arranged and explained. This includes the encryption and other protection of the website, as well as personal information that is collected through registration and cookies. Consumers may be discouraged to shop if they are forced to disclose personal information to the e-tailer or encounter unexpected warning prompts stating that the website is not secure. Such risks may be considered even more serious if consumers find the information irrelevant or the source of the web shop is unclear, and consumers cannot find reassuring information about the e-tailer and contact its customer service. (Li 2007; Riquelme & Romn 2014.) Frik and Mittone (2019) even argue that consumers are not fond of the implicit or explicit collection of personal information, but still appreciate the possibility to access and edit permissions of the e-tailer to their personal data.

2.2 Perspectives of purchase behavior

2.2.1 Utilitarian purchase behavior

Batra and Ahtola (1991) as well as Babin et al. (1994, 647–653) describe utilitarian consumers as effective, task-related individuals that minimize the time and energy spent on shopping. Time-efficiency also means that these consumers tend to plan their purchases beforehand to ensure a smooth and controllable purchase process. This is also to maximize their purchase outcome with respect to convenience and monetary savings (Chiu et al. 2014; Bilgihan et al. 2016). Hence, web shops that can provide an efficient and flexible shopping experience with fair and transparent terms and prices are likely to attract utilitarian consumers.

In addition to convenience factors and monetary benefits, product selection and information play an important part for the utilitarian purchase behavior. Product selection comprises the standard selection of products that are available through a web shop at a given time, as well as product specials or deals that allow consumers to save money when purchasing. By incorporating such deals and discounts in the purchase process, consumers may be further convinced to have succeeded in optimizing their purchase monetarily (Babin et al. 1994, 652). A clear and comprehensive product selection increases the likelihood of consumers finding the desired products easily and are simultaneously introduced to other alternatives and future possibilities when planning their next purchase. (Simonson 1999; Chiu et al. 2014)

When planning the purchase and browsing websites, utilitarian consumers appreciate detailed and easily accessible information of products and terms of the web shop. The comprehensive and concise information helps consumers inform themselves about all aspects of the purchase prior to placing an order. (VanScoyoc 2000.) Moreover, the comprehensiveness and transparency of information removes uncertainty which might even lead to consumers straying off to other web shops potentially losing sales, and increasing the total time and energy needed for the purchase overall. (To, Liao & Lin 2007; Chiu et al. 2014.) Consumers with satisfactory experience in finding information may even be inclined to return to a certain web shop to merely search for more information about products. Whether this visit leads to a completed purchase is secondary since the e-tailer has already succeeded in attracting the consumer without initial purchase intentions to visit the web shop. Satisfied consumers are therefore more likely to return to the web shop when they are ready to place their next order. (VanScoyoc 2000.)

Since the utilitarian purchase behavior highlights qualities of efficiency and urgency, these kinds of consumers prefer short waiting times at all stages of the purchase process (Babin et al. 1994). It is therefore recommendable to have a swift and experienced customer service available upon consumers' request. Apart from excellent customer

service, utilitarian consumers appreciate elements like load time and the responsive web design of web shops. If consumers are often forced to wait too long for a webpage to load completely, they may be discouraged to shop with the e-tailer. A cumbersome website structure and checkout process increase the total time needed to spend in the purchase process, which is often considered a risk in the eyes of utilitarian consumers. Moreover, the utilitarian purchase behavior appreciates transportability, which means that consumers can resume a previous shopping session regardless of time, place, or device. On the other hand, the responsive web design enables consumers to shop with any device that supports shopping online. (Anttila 2016, 58–65, 67–70)

All aspects of utilitarian purchase behavior support the intention to minimize the search cost and overall time spent in the purchase process to save time and energy for other activities than shopping. When consumers with utilitarian characteristics plan to purchase a product, they prefer to choose their own time and space for seeking information and preparing their order. (Babin et al. 1994.) This kind of convenience is further emphasized if the web shop is responsive, fast and provides all information necessary upon consumers' request. Utilitarian consumers also prefer the web shop to be free from excessive marketing pop-ups, especially, if they are not personalized and do not therefore support the unique purchase intentions of the consumer. On the other hand, information and special deals that match the personal needs, increase the benefits of the web shop perceived by the consumer. (Anttila 2016, 58–65, 67–72.) Special prices and other benefits that exceed the initial expectations explored by the consumer may even provide further utilitarian value in the purchase process (Babin et al. 1994, 652). However, since consumers with utilitarian purchase characteristics predominantly value a smooth and efficient purchase process, a slightly higher price level may be compensated with, for example, the fast and effortless operation of the web shop (Anttila 2016, 66).

2.2.2 Hedonic purchase behavior

Web shops that provide an adventurous and interactive shopping environment appeal to consumers with a hedonic purchase behavior. These consumers are willing to spend much of their free time experimenting with various features of the web shop. (Hirschman & Holbrook 1982a; Langrehr 1991; Babin et al. 1994, 647–653.) These types of consumers are also rarely busy when shopping and they may even be captivated by a certain flow experience if the web shop creates the appropriate stimuli for the consumer (Hoffman & Novak 1996, 57–58). Hoffman and Novak (1996, 57–58) apply the theory by Csikszentmihalyi (2000) when describing this flow experience as a state of mind where the consumer is absorbed into the virtual world for example when browsing products of a given web shop. This may lead to consumers losing track of time, as they devour information and interact with the web shop entertaining themselves with the interesting

features and website content (Hoffman & Novak 1996). Some web shops like Yahoo!Kimo have even been referred to as a virtual shopping mall where consumers may feel like shopping in a virtual version of a traditional shopping mall atmosphere (Chiu et al. 2014, 9).

While utilitarian consumers appreciate a fast and efficient shopping experience with minimal unexpected interruptions, consumers with hedonic characteristics tend to escape to an online shopping environment in search of stress relief. They are also willing to receive notifications about product specials and other contemporary content and are more prone to purchase on impulse in response to ads. In fact, consumers that follow a hedonic purchase behavior are often shopping for sale items and may feel joyful and satisfied when purchasing products at a seemingly lower price. (Babin et al. 1994, 647–653; Wolfinbarger & Gilly 2001)

Based on Arnold and Reynolds' (2003) six dimensions Chiu et al. (2014) infers that shopping also plays a social role in the lives of hedonic consumers and reflects part of their identity through the shopping channels they use and products that they purchase. By keeping up with trends and sharing shopping experiences with others on social networks, hedonic consumers may feel sensations of joy and happiness. This may also apply to situations where the consumer thinks to have found a perfect gift for others (Arnold & Reynolds 2003; Chiu et al. 2014). Since hedonic consumers are easily influenced by the interactive content and versatile web shops with tempting campaigns, they may be allured to purchase on impulse and spend more money than they originally intended, still feeling that the shopping experience was successful, and all items were necessary. However, a higher monetary investment can often be compensated with other elements of the purchase process, bringing the customers back to exchange their funds for temporary stress relief and experience (Arnold & Reynolds 2003; Chiu et al. 2014).

As previously mentioned, entertainment is one of the key elements in the shopping experience of hedonic consumers. Others include the possibility to be inspired by the content on websites and to dream of buying and using a product. For example, product photos taken in the natural environment of a product have been found to trigger the imagination of hedonic consumers often leading to purchase intentions. This effect can be further emphasized by paying more attention to the aesthetics of the web shop, since it makes the web shop environment more uniform and appealing. A visually pleasing web shop that offers a clear and logical user interface with a responsive structure lets consumers become immersed into the virtual world without interruptions that might interfere with the potential flow experience. (Hirschman & Holbrook 1982b, 132; Anttila 2016, 74–75, 82)

Some e-tailers have even introduced elements of augmented reality that further improve the shopping experience online. Telepresence strives to provide the feeling of

being present at a scene for example by recording and streaming live video to consumers. Participants of a live session may simultaneously interact by commenting the live feed enhancing the consumers' feeling of being at a place other than their true location. E-tailers may also offer more features and interaction with products in the web shop by allowing consumers to zoom on products or change the content on the website, customizing the view according to the users' wishes. Augmented reality strongly supports the natural purchase behavior of hedonic consumers, as it improves the holistic shopping experience and provides more interaction with the web shop. (Fiore, Kim & Hyun-Hwa 2005; Poushneh & Vasquez-Parraga 2017)

2.3 Herd behavior

In a socially active world consumers interact with each other on a regular basis. This interaction carries a substantial amount of information on the personal experience and thoughts, as well as those of others that have influenced the behavior of the respective consumer. Banerjee (1992, 799) explains that the reduced use of personal information, substituted by other people's opinions, is a phenomenon called herd externality. When the relative importance and effect of externalities increase, consumers are exposed to herding (Banerjee 1992, 798–799; Raafat, Chater & Frith 2009, 420). Herding typically lacks a pre-determined direction that is confirmed and controlled by a specific individual, group, or entity (Raafat et al. 2009, 420). Instead, consumers tend to mimic the actions of an influential herd which results in a more unified behavior among its members (Raafat et al. 2009, 423).

By replicating actions of other people, consumers alleviate uncertainty in the purchase process by harnessing prior information from external sources, such as product reviews, public discussions, and ratings (Chen 2008; Nepomuceno, Laroche & Richard 2014; Xu, Li, Peng, Hsia, Huang & Wu 2017, 252). Purchase decisions may even be made at the expense of personal beliefs, because consumers have a tendency to find reassurance in the wisdom of crowd (Chen 2008; Sun 2013). In the event of a contradictory testimonial between experts and other consumers, decision makers are more likely to follow in the footsteps of assumed average individuals (Chen 2008, 1989). Deutsch and Gerard (1955, 629) refer to informational influence when describing the susceptibility to assume information from others as proof of reality. In other words, consumers consider themselves better informed through these testimonials from other individuals as opposed to merely facing product descriptions and promotional material from the web shops themselves.

On the other hand, normative social influence pertains to the role of social acceptance in herd behavior. This is the extent to which consumers influence the behavior and decisions of others seeking companionship in a group. Consequently, potentially

alienated consumers are forced to estimate the preferred actions of the herd in question to conform to their principles and expectations. (Deutsch & Gerard 1955, 629–636.) For example, consumer trends in clothing may cause a given group of people to begin dressing in a certain way to maintain social cohesion within the group and to distinguish itself from others. By failing to conform to the positive expectations of the group, a supposed member may risk the social status and belonging to this group by refusing to purchase clothes of the new trend (Deutsch & Gerard 1955, 629–636).

However, the eventual change in behavior has been studied from various perspectives depending on how the newly assumed behavior relates to that of other members of the herd. Bonfield (1974) uses the term influence when describing, how the thoughts and actions of others influence the behavior of an individual. Influence therefore focuses on whether herd behavior alters previous behavioral patterns and thoughts of individuals, overlooking their potential alignment with the behavior of the herd (Bonfield 1974). Instead, Du and Kamakura (2011) refer to the alignment of the changed behavior as contagion; this emphasizes the transfer of behavior from one person to another. In the context of herd behavior, the transfer of thoughts and behavioral patterns can be viewed from a more general perspective, since the increase in the number of individuals may cause slight alterations in the behavior of members in a herd (Langley, Hovee, Ortt, Pals & van der Vecht 2014, 19).

Furthermore, in a world that has redefined interpersonal communication thanks to the swift and significant technological development, consumers can make use of numerous means of communication, oftentimes regardless of their location. While the advances in technology have allowed consumers to connect with each other instantly even from afar, communication has undergone some fundamental changes in terms of social bandwidth, interactivity and surveillance (Barry & Fulmer 2004, 275). Firstly, social bandwidth encompasses the extent of social cues in a medium; a physical encounter of individuals exhibits high social bandwidth since the information exchanged in the situation is perceived through multiple senses at once. In other words, as the informant delivers a given message, the recipient simultaneously perceives the behavior and symbolic cues that convey the message; the recipient interprets the information through all active personal senses. On the contrary, conventional written messages in the online context lack the ability to convey aural, olfactory, and traditional visual cues which results in a lower social bandwidth. (Barry & Fulmer 2004, 275.) On the other hand, the employment of videos, images and recordings in communication increases social bandwidth by activating related sensory systems of the interlocutors.

Secondly, interactivity pertains to aspects of immediacy and feedback in the selected medium of communication (Walther 1996, 28–33). As opposed to traditional physical interaction among humans where participants perceive a message as it is delivered, the

online environment enables individuals to join and exit a messaging platform effortlessly with the click of mouse or tap on the smartphone screen, even without ever receiving the message of the informant. Depending on the selected platform and settings, the informant may even be unaware of whether the message has reached its preferred audience, and when it has been delivered. Even though most platforms successfully transmit the messages of its users in real-time, a technology commonly known as instant messaging (Pandey 2018), consumers have less control over the transmission process and need to rely on the service provider of the software application contrary to face-to-face interaction where they may observe and manage the transmission process themselves. The level of interactivity in the online context can be assessed according to the synchronicity of the selected messaging platform or forum; this may range from messages that are instantly delivered to those that are tremendously delayed, simply disregarded, or otherwise go unnoticed (Barry & Fulmer 2004, 275). Furthermore, it may even be argued that the reachability of messages in smaller private groups as opposed to those in larger public forums have a higher level of synchronicity, and thus result in more interactive communication among herd members.

Finally, the third and last aspect of interest, surveillance, is involved with the phenomenon of public observation in communication. Surveillance may be either explicit, when the interlocutors are aware of the observation or traceability of their messages in a discussion by third parties, or implicit when the mechanisms of surveillance are unknown or of little importance to the participants of the discussion (Lewicki, Barry, Saunders & Minton 2003; Barry & Fulmer 2004, 275–276). Examples of third parties could include passive observers who are present at the time of discussion but do not interact, service providers who monitor or manage the platform of communication and store messages on dedicated servers, or other parties that have access to such data during or after the discussion has taken place. The interlocutors' awareness of any third-party surveillance may influence the behavior and interaction of herd members or other participants of the discussion (Barry & Fulmer 2004, 276). Even though this may increase the likelihood of interlocutors not interacting naturally in a given social setting, some herd members may even take advantage of the presence of third-party members and make the intentions of a herd more visible thanks to the increased attention.

In the context of e-commerce, business managers may observe or even interact with herd members of a given platform and gather information about their current and potential future intentions in real-time, if the discussion is accessible or the messages are otherwise available. Companies may then focus on information that is most relevant to them and estimate behavioral patterns in the actions of the assumed herds allowing them to adapt accordingly, while preparing marketing campaigns and planning other strategic maneuvers for their respective product groups and customer segments (Langley et al.

2014.). Raafat et. al (2009, 422) refer to this as the pattern-based approach, where individuals interact according to assumed principles of a herd, which rely largely on the location and laws of motion rather than emotions of individual members. Langley et al. (2014) employ this approach when proposing eight herding patterns: slow and fast meandering, slow and fast converging, cold and hot Brownian, as well as marching and stampeding. These describe the status of a given herd based on the number of individuals, speed of contagion and uniformity of direction among herd members which may, in turn, assist business managers when identifying the current state of a herd in question (Langley et al. 2014). This research, however, will not focus on the elaborate description of the eight herding patterns but rather acknowledges them as a scientific perspective of categorizing herd behavior.

2.4 Impulse purchasing

Every consumer has its distinctive purchase behavior which typically aligns with at least one of the common types of purchase behavior, utilitarian or hedonic, discussed in the previous sections. However, consumers are constantly exposed to a multitude of stimuli which influence their line of thought and feelings resulting in temporary alterations in their purchase behavior, or a fundamental change altogether (Rook & Hoch 1985). When a stimulus exposes the consumer to a sudden and compulsive shopping urge, the products acquired are commonly defined as impulse purchases (Stern 1962; Kollat & Willett 1967; Hirschman & Sheth 1985; Rook & Hoch 1985; Cobb & Hoyer 1986; Piron 1991).

While many researchers agree on the abrupt nature of impulse purchases, some researchers find them to be synonymous with unplanned purchases (e.g. Cobb & Hoyer 1986), whereas others prefer to distinguish these as two different phenomena (e.g. Stern 1962; Rook & Hoch 1985; Piron 1991). Piron (1991) specifies that only purchases made upon encountering the product for the first time fall under the category of impulse purchases. Stern (1962) introduces four types of impulsive purchase behavior: planned, reminder, suggestion, and pure impulse buying. As the first one suggests, impulse purchasing may involve planned purchase behavior, for example, when the consumer decides to go shopping for the purpose of making impulse purchases by reacting to sales campaigns, redeeming discount coupons or the like (Nesbitt 1959; Stern 1962). Reminder impulse buying refers to a purchase that is made upon remembering a decision to buy the product due to a low stock at home, or other previously accepted reasoning convincing to purchase. Suggestion impulse buying is similar to the latter with the exception that the consumer encounters the product for the first time and justifies the need for it on the spot. Finally, pure impulse buying differs from suggestive situations by disrupting the typical purchase behavior and even involving emotional appeal. (Stern 1962.)

Rook and Hoch (1985, 23) present the idea of impulse items which are typically inexpensive products that are in great demand and can be easily purchased without extensive contemplation and reasoning. Section 1.3 combined several resources identified by Stern (1962) when estimating the cost of a product, and thus, determining the likelihood of a consumer purchasing it on impulse: 1) money consists of the monetary expenses to obtain a product, similarly to the definition of total price in this thesis; 2) time estimates the length of the purchase process; 3) physical effort evaluates the motion required in the process, and 4) mental effort relates to the thoughts and planning of the purchase. A lesser amount of each resource increases the probability of consumers to act impulsively and purchase the product (Stern 1962).

On the other hand, Rook and Hoch (1985, 23–24) define impulsive purchase behavior through five elements that distinguish it from non-impulsive purchasing. Firstly, purchase actions of the consumer are abrupt and unexpected as agreed in many sources. Secondly, self-discipline is lost to some extent, and thirdly, the consumer even faces an internal conflict having to consider the pros and cons of purchasing a product on impulse. Fourthly, the cognitive justification of purchasing is temporarily ignored and may ultimately result in harmful consequences due to repetitive purchases that are made when exposed to influential stimuli that encourage to shop. (Rook & Hoch 1985, 23–24.) Piron (1991) distinguishes two classes of impulse purchasing based on how strongly emotions and cognitive activity are involved in the process, describing costly and daring purchases as experiential behavior and less enticing shopping for low-cost items as nonexperiential.

In traditional shopping channels like brick-and-mortar stores, impulse purchasing is influenced by not only the low price of a product but the constant widespread availability, product lifespan, packaging, as well as the size and ease of storage (Stern 1962). In this setting consumers are often required to collect the product in a store which allows retailers to manipulate the design of the store through product positioning and display to induce impulse purchasing (Stern 1962, 61; Cox 1964; Berkman & Gilson 1986). Berkman and Gilson (1986, 505) also mention the importance of cross-selling where products are connected to each other through their intended use and upgradability. Kotler (1973) conceptualizes the purposive design of a purchase environment or store under the term *atmospherics*; these are elements that appeal to the emotional state of consumers and potentially increase the likelihood of purchases made, even impulsively. In principle, these sensory qualities may be anything that influences the perceptions of consumers, but the direction and magnitude of the effect may vary (Kotler 1973).

Though some of the fundamental elements of impulse purchasing in traditional shopping channels have remained largely unchanged in e-commerce, the shift from physical points-of-sale to web shops has also revolutionized some of the key elements. Consumers no longer need to enter a physical store to purchase and may even have the

product delivered straight to their home. In other words, e-tailers are incentivized to focus their attention on the design of the web shop environment to ensure an enjoyable shopping experience when consumers browse through products and other content online (Floh & Madlberger 2013; Akram, Hui, Kaleem Khan, Tanveer, Mehmood & Ahmad 2018).

Since web shops lack the tangible elements of shopping, eliminating traditional means of manipulation in physical stores, Akram et. al (2018) argue that website quality positively influences consumers' impulse purchase behavior, instead. Website quality consists of three dimensions including entertainment, ease of use and usefulness which Destari, Indraningrat and Putri (2020) confirm to positively influence impulse purchasing through emotions experienced in the shopping process (Turkyilmaz, Erdem & Uslu 2015). Akram et al. (2018) further explain that sales promotions and the possibility to use a credit card significantly improve impulsive sales generated by moderating the relationship between website quality and impulse purchasing. In the online setting, sales promotions are related to promotional campaigns, cross-selling and novelty items, among others (Dawson & Kim 2010). Finally, Akram et al. (2018) add that search engine optimization, links and relevant keywords improve the overall website quality by assisting consumers while searching for web shops and navigating on the website.

Entering a web shop and navigating through its various pages is connected to accessibility since consumers need a supported device, browser, and sufficient access to internet. The performance of these factors and the complexity of the web shop structure determine the level of accessibility; the analogy of this in traditional shopping channels includes the location of the store, means of transportation needed and store layout. (Floh & Madlberger 2013.) Moreover, Shahpasandi, Zarei and Nikabadi (2020) infer that a streamlined purchase process where consumers instantly assimilate and approve of the web shop structure and believe to be in control of their shopping, reduce the inconvenience felt and therefore generate more impulse purchases. The self-service structure of the checkout process in web shops is a unique example of this sense of control and convenience, which is widely employed by virtually all web shops, as opposed to brick-and-mortar stores where self-checkout is still being implemented and evaluated by numerous retailers. Stern (1962, 61) also points out that elements of self-service increase the freedom felt and time spent while shopping potentially resulting in further impulse purchases as consumers may complete the shopping process without any assistance.

Finally, Floh and Madlberger (2013) mention the role of enjoyment in the purchase behavior of consumers, as it evokes positive emotions which enhances the experience and flow, typically valued among hedonic consumers. E-commerce also allows consumers to react to their feelings instantly and easily make impulsive purchases as a result (Kim & Johnson 2016). Shahpasandi et al. (2020) even emphasize the increasing importance of social media platforms, like Instagram, which function as an efficient marketing channel

for web shops, enhancing the flow experience felt while browsing and potentially leading to impulsive purchasing. However, Shahpasandi et al. (2020) express some concern regarding orders that consumers mistakenly place due to an overwhelming flow experience resulting from questionable intentions of the e-tailer, intending to simply maximize the emotional appeal of shopping at the expense of intentional orders received. Some consumers may regret purchasing and opt to return the products ordered which ultimately converts to additional operating costs for the e-tailer (Shahpasandi et al. 2020). Still, Floh and Madlberger (2013) found that consumers spent USD 60 on average and purchased up to 4.32 items impulsively in the context of an online book retailer. In other words, e-tailers are strongly advised to invest in enhancing the shopping experience to boost sales through impulse purchases.

2.5 Synthesis of theory

The theoretical background of this thesis presented some of the key elements in the purchase behavior of consumers shopping online. Firstly, different perceptions regarding the benefits and risks of online shopping were explained to understand what encourages consumers to shop online and opt for a specific web shop. This also provided important insights into why consumers choose not to shop in physical brick-and-mortar stores instead – i.e. which elements of e-commerce potentially exceed the positive effect of those perceived in traditional shopping channels. The figure below depicts a collection of consumers' perceived benefits and risks in the e-commerce context.

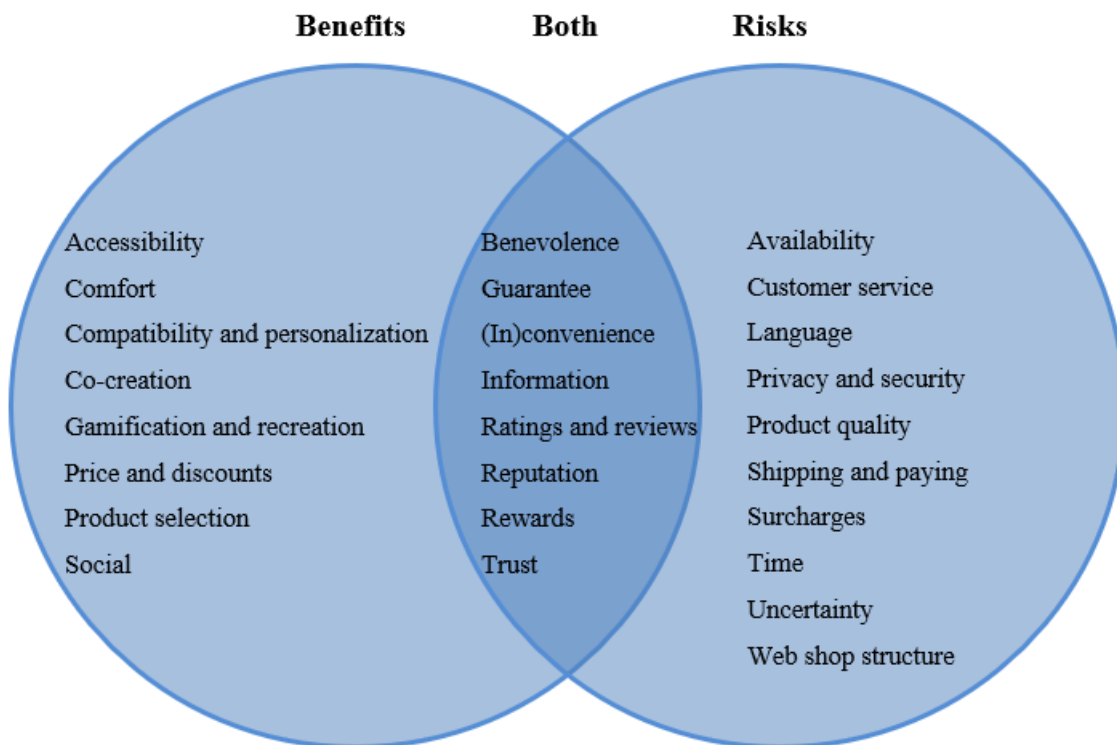


Figure 1. Consumers' perceived benefits and risks of online shopping

The different consumer perceptions of e-commerce were classified as benefits or risks when compared with their traditional counterparts in brick-and-mortar stores. However, not all elements could be exclusively distinguished under one of these classes, due to which a third class was formed. Perceptions in this class bear relation to both benefits and risks with varying weights. For example, a detailed, truthful, and even entertaining product description may facilitate the development of trust and transparency in the eyes of a consumer, while elements of disbelief or uncertainty such as ambiguous and deceitful content may result in tremendous concern and a lower conversion rate. Similarly, transparency through the integration of ratings and reviews in a web shop may boost sales if the feedback is believable and in favor of the e-tailer.

These perceptions were then followed by the introduction of two common types of purchase behavior, namely the utilitarian and hedonic purchase behavior. Utilitarian was characterized by a task-oriented consumer who strives to maximize the outcome of the purchase process effectively while minimizing the time and energy spent in the process. On the other hand, hedonic consumers appreciated adventurous and entertaining shopping experiences and were susceptible to elements of interactivity, augmented reality, and enriched information of the web shop, which provided them an escape from the real world even through an immersive flow experience. Both types of purchase behavior could also be linked to various perceptions of online shopping as discussed in the previous sections. For example, the utilitarian purchase behavior could be connected to benevolence, quality of information, clarity on privacy and security issues, convenience, and accessibility, as well as immediacy and fair price. The hedonic purchase behavior bore relation to elements of gamification, recreational and social aspects, compatibility and personalization, rewards and reviews, among others.

Having described the two types of purchase behavior based on their fundamental characteristics, as well as common perceptions of e-commerce, the behavioral peculiarities of consumers were further discussed through herding. Herd behavior extended the perspective of shopping habits with a social factor, since consumers were found to be subject to herd externalities that influence their purchase decisions in a given shopping channel. In other words, consumers were not evaluated as independent shoppers who consistently base their purchase decisions on individual contemplation and reasoning, but instead, act upon the effects of the surrounding social network and even find reassurance in the wisdom of crowd. Consumers were found to trust the testimonials of fellow consumers in lieu of e-tailers' promotional material and expert reviews, both of which accounted for the informational influence of herd externalities, perceived as proof of reality. Moreover, feelings of belonging and social acceptance were discussed to evaluate the normative social influence of consumers amid their respective social network

that subconsciously manipulates the purchase behavior of individuals through the thoughts and actions of others.

Since the rapid advances in technology have revolutionized the means of communication between individuals, the fundamental changes in social bandwidth, interaction and surveillance were considered crucial for determining influential elements of herding. The quality and extent of social cues had shifted from various sensory stimuli experienced in physical encounters, attesting high social bandwidth, to low-bandwidth interactions using restricted means of written messages accompanied by occasional visual or aural cues, depending on the messaging platform used and the preferences of the interlocutors. Messaging platforms could also cause uncertainty of synchronicity and reachability which related to perceptions of time and immediacy discussed previously. Delays and other limitations of low-bandwidth channels could also fail to transmit a message to the intended audience within an expected time, possibly leading to misconception of the current thoughts and expectations of an influential herd. The inception and development of herding was touched upon through eight herding patterns which could partially explain the purchase behavior of hedonic consumers that are prone to react to social stimuli.

Finally, surveillance encompassed elements of explicit and implicit observation of consumer interactions which could be carried out by other consumers or even managers of e-commerce businesses. Though the awareness of ongoing discussions on online platforms allows e-tailers to identify and assess trends and behavioral patterns to optimize the shopping experience for their customers, these actions could also raise concerns on privacy and security issues or even the benevolence of the e-tailer. After all, consumers may carelessly exchange personal information or discuss sensitive topics unaware of any third-party members that spectate or exploit information collected from these discussions. The extravagant exploitation of questionable sources and type of information could endanger the perceived reputation of an e-tailer, especially among utilitarian consumers who stress the importance of integrity and transparency in the shopping experience.

The last section discussed impulsive purchases which could generate strong additional sales for e-tailers thanks to an optimized web shop design and overall shopping experience. Impulse purchasing was defined as sudden feelings of a compulsive shopping urge that surpassed logical cognitive justification to purchase, even at the expense of temporary loss of self-discipline or harmful consequences that might eventually follow. The phenomenon of being holistically absorbed by certain stimuli while shopping was described as the flow experience typically encountered by hedonic consumers. These consumers were willing to spend much time experimenting features of a web shop while being influenced by different forms of entertainment and imagination, preferably providing them an escape from the real world. Hedonic consumers could therefore be

easily convinced to purchase by appealing to their thoughts and feelings, while utilitarian consumers required more fact-based evidence to support their purchase decisions.

Therefore, the different types of impulse purchasing, including planned, reminder, suggestion, and pure impulse purchases, were also more natural and probable among hedonic consumers. However, utilitarian consumers could also be linked to some of these types, for example, when they had previously confirmed a need for a product and acted upon reminders in a shopping process, or planned to redeem an appealing coupon based on products included in a campaign. On the other hand, hedonic consumers were more susceptible to all kinds of purchase stimuli that triggered an appealing sensation in them because of a seemingly low price, sense of uniqueness or novelty, stress relief, or overall shopping experience.

While traditional brick-and-mortar stores employed methods of product positioning and display, as well as relationships in cross-selling, e-tailers highlighted the importance of an accessible, enjoyable, and swift shopping experience where consumers could serve themselves and move seamlessly between different points of contact, for example, from social media platforms to web shops. An easily comprehensible and efficient, yet impressive web shop and shopping experience would appeal to both types of consumers and potentially allow these web shops to stand out from others, leaving an indelible experience that may be shared among respective social networks, and herds that might emerge. The following figure depicts the relationships of the theoretical constructs of this thesis including the focus of interest – i.e. nonmonetary incentives.

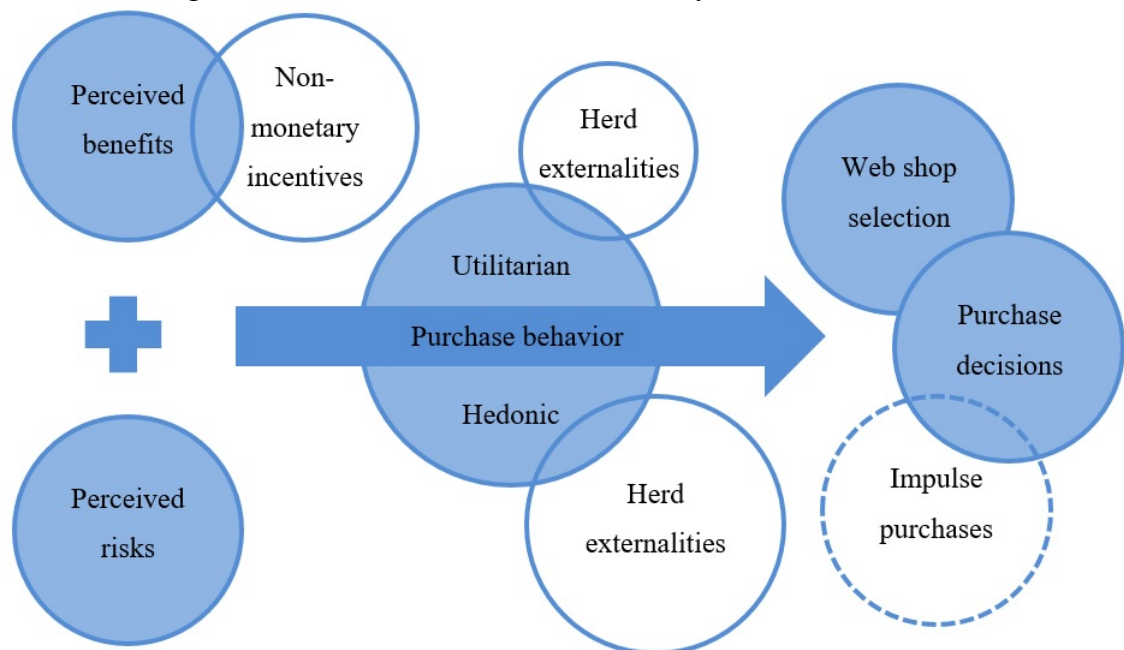


Figure 2. Effects of purchase behavior, herding, and perceptions of online shopping in the purchase process

The figure starts with the combination of perceived benefits and risks, including nonmonetary incentives that consumers consider when comparing different shopping channels and stores. These perceptions are filtered through their individual purchase behavior which typically reflects traits of either a utilitarian or hedonic purchase behavior. This purchase behavior is also influenced by various herd externalities which are likely to be more influential for hedonic consumers. Based on the individual contemplation, personality and external effects, consumers select a web shop for purchasing and potentially make impulse purchases in the process, depending on their susceptibility to such behavior, the design of the web shop, and the shopping experience provided by the e-tailer.

3 RESEARCH DESIGN

The internet is steadily gaining a firm foothold as a medium of commerce among Finnish consumers, as presented in the introduction chapter of this thesis. The popularity and proliferation of web shops were partially explained by the increasing availability of internet access and the rapid growth of the smartphone market in Finland. (Official Statistics of Finland 2015; 2018.) In the meantime, large online marketplaces were reported to have obtained a significant market share of the global retail e-commerce in 2018, where Amazon alone accounted for up to 13.3% (Global retail e-commerce...). The intensifying competition served as primary motivation for the established research objectives, in addition to the lack of research in the selected context. As a result, the aim was to explore influential nonmonetary incentives which could be harnessed in the business models of web shops that struggle to compete in the increasingly saturated or otherwise challenging markets.

To gain a better understanding of the motives of Finnish consumers selecting a web shop for purchasing, the theoretical background first focused on perceived benefits and risks in online shopping. These perceptions were then complemented by studies on the utilitarian and hedonic purchase behavior, herd behavior, and impulse purchasing, providing further insights into various stimuli that influence the purchase decisions of Finnish consumers. Finally, a justified and comprehensive theoretical framework was established as preparation for the methodological objectives and procedures of this thesis.

The main research question is concerned with nonmonetary incentives that influence the purchase decisions of Finnish consumers shopping online. Sub-questions of the thesis investigate all aspects of purchase motivation before concentrating on the role of nonmonetary incentives, and how Finnish consumers give value to them. This process of valuation is also considered from the perspective of why consumers appreciate certain incentives, with the intention to link these motives to the theoretical perceptions and purchase behavior of consumers.

Since the nature of this research is that of an exploratory investigation, a qualitative research approach is most suitable. The required qualitative data should comprise a realistic collection of influential incentives from the perspective of the studied Finns in the B2C e-commerce context. The data are therefore collected in an in-depth pilot interview followed by a focus group interview with representatives of the purposive selection of this research. This chapter explains in detail the justification for selecting the qualitative research approach and the specific strategy, as well as the method of data collection and analysis to answer the research questions of this thesis. The detailed description of the set of methodological procedures applied thoroughly explains each

stage of the research process, including the research approach and strategy, as well as the data collection, analysis, trustworthiness, and ethics of this research.

3.1 Research approach

Ghauri and Grønhaug (2002, 85–89) describe qualitative research methods to be more explorative in nature compared to quantitative research traditions. Since the purpose of this research is to explore potentially influential nonmonetary incentives that could affect the purchase behavior of Finnish consumers shopping online, and not measure and compare the influence of these incentives numerically, qualitative methods are most suitable for this research (Ghauri & Grønhaug 2002, 85–89; Berg 2004, 2–4, 7; Marschan-Piekkari & Welch 2004, 186–188). Instead of testing and verifying hypotheses and other points of interest in the research, qualitative methods lay emphasis on understanding a phenomenon holistically from the informants' point of view (Ghauri & Grønhaug 2002, 85–89). In this research, the informants are represented by the pilot interviewee and participants of the focus group interview who are all selected through purposive selection (Lincoln & Guba 1985, 199–202; Berg 2004, 36). Furthermore, the lack of prior research among Finnish e-shoppers, as well as the objectives and type of data required in the research context justify the use of an exploratory case study, instead of descriptive and causal methods which apply a more quantitative approach (Ghauri & Grønhaug 2002, 48–52; Berg 2004, 256–258).

Berg (2004, 2–4, 7) simplifies that qualitative research often generates nominal data as opposed to numerical data collected in quantitative research processes. He further explains that certain experiences cannot be efficiently expressed in numeric format when the research aims to describe meanings, symbols, social roles et cetera as perceived by their respective observers, or interviewees of a research, for example (Berg 2004, 2–4, 7). Since the data in this research are collected in an in-depth pilot interview and a focus group interview with representatives of the most active age groups of Finnish e-shoppers, the format of the data is primarily nominal.

In the context of B2C e-commerce of the 2020s among Finnish consumers, it is important to gather information from contemporary resources that describe the purchase process and perceptions, so that the research does not merely rely on historical accounts, observations, and theory thereof. Still, prior theories and reports enable further research to be conducted more efficiently as certain patterns and trends have been identified and can therefore be used as a basis for the theoretical framework of future studies. In this research the theoretical foundation on different types of purchase behavior, herd behavior, impulse purchasing, as well as commonly perceived benefits and risks in e-commerce, together with the objectives of this thesis, support the selected research approach. The

aim is to distinguish incentives mentioned in previous research, as well as to explore new factors that may influence the purchase decisions of Finnish consumers shopping online.

However, since the aim of qualitative research is to understand an unknown phenomenon holistically and provide potential generalizations within the specific research context, the findings are chiefly suggestive and require further research to verify the relationship of different phenomena, often through structured quantitative methods (Ghauri & Grønhaug 2002, 85–89; Berg 2004, 2–4, 7). Thus, the intention of this research is not to present scientifically verified explanations of the probability and degree of influence of nonmonetary incentives on the purchase decisions of Finnish consumers, but rather to probe the underlying feelings and perceptions of consumers in preparation for future studies. Finally, as Berg (2004, 2–4, 7) specifies, the research is conducted by applying systematic procedures that can be replicated by other researchers with respect to the framework of the selected research design, and with the help of extensive records of all stages of the research.

3.2 Research strategy

This research is conducted as a case study where data are first collected in a single in-depth pilot interview with one Finnish consumer and then extended to a focus group interview with multiple participants. The limited number of interviews is justified since the aim of this thesis is merely to explore nonmonetary incentives that influence the purchase decisions of Finnish consumers shopping online and to provide suggestions for further research. Therefore, the research strategy suggested the interviewees to be selected via purposive selection (Lincoln & Guba 1985, 199–202; Berg 2004, 36).

The selection consisted of the most active Finnish e-shoppers at the age of 25–44 years to enhance the probability of obtaining relevant insight into nonmonetary incentives in B2C e-commerce. In addition to the single consumer selected for the pilot interview, six interviewees were selected for the focus group interview. Moreover, two additional individuals were selected to function as a reserve or control group in case some of the intended interviewees were unable to participate; the ages of these two reserves also did not fall into the predefined age range but were considered suitable with 23 and 24 years of age. Apart from one person of the focus group and the pilot interviewee, all participants were female and had a university degree in business. One of the male interviewees had graduated from high school and was currently studying at a university, while the other one had a vocational degree. Finnish consumers were exclusively selected as the target group due to the increasing number of e-shoppers in recent years and the accessibility of the global e-commerce market in Finland.

Moreover, the previous research and web shop experience of the researcher in the home country Finland supported this decision, since a vast network of relevant

information was readily available, and suitable interviewees could be effortlessly reached. Finns were also considered a logical selection since it would be considerably more challenging, and even inaccurate, to evaluate and generalize the purchase behavior of consumers on a global level. Finally, common access to internet and the proliferation of web shops have predominantly concerned countries like Finland with a high supportive infrastructure for e-commerce, even though this might change as an increasing number of residents in developing world countries gain access to the internet and a variety of its applications.

The interviewees were selected by using the researcher's personal contacts and expertise to evaluate which individuals would be accustomed to placing orders online and might therefore have both experience and perceptions on the role of nonmonetary incentives in the purchase process. In addition, a set of criteria was established for the interviewees in accordance with the research objectives, context, and purposive selection (Puusa & Juuti 2011, 90–92). Such a selective process would be more challenging when conducting a quantitative research with a higher number of respondents and a less flexible structure of the data collection. However, the careful selection was made to ensure that the research generates a sufficient amount of purposeful data. The interviewees met the following criteria: 1) Finnish citizenship, 2) suitable age, and 3) prior purchases online. Despite these criteria, the two individuals in reserve were a few years younger than the lower end of the set age range, as previously mentioned. Moreover, any number of prior, yet preferably recent, online purchases was accepted when selecting the interviewees. Similarly, prior experience of actively using a mobile phone for online purchases, or following influencers (Stubb & Colliander 2019) in social media, either web shops or individuals, was considered an advantage.

3.3 Data collection

In qualitative research, interviews are strongly supported for the exploration of information on issues that have little theoretical knowledge available, or the number of possible interviews and interviewees is limited (Marschan-Piekkari & Welch 2004, 186–188). As this thesis focuses on the current perceptions of Finnish consumers in e-commerce regarding nonmonetary incentives, prior research is very limited or already outdated. Due to the relatively novel nature of e-tailing, the ongoing technological development, and the ever-growing potential in global business, e-commerce has been undergoing constant changes with respect to product availability, shipping and payment terms, customization and personalization, augmented realities, among others (E-commerce in the Nordics – six-month report 2018, Postnord; The great e-commerce...; E-commerce trends 2020).

To still gather enough meaningful data with a limited number of interviews, an in-depth pilot interview was selected as the first method of data collection, since it allows the researcher to engage in a more personal conversation while observing the interviewee (Ghauri & Grønhaug 2002, 85–89). This pilot interview also provided useful information for the preparation of the focus group interview which followed as the second method of data collection. Both methods enabled the relevance of the data to be based on a deeper and more extensive rapport as opposed to quantitative surveys where the response rate may be considerably lower and results are primarily produced for predetermined questions (Marschan-Piekkari & Welch 2004, 186–188). The in-depth interviews allowed the researcher to make observations of the interviewees' reactions which are completely ignored in research methods that prevent the supervision of the data collection process. Gestures, tone of voice and the approach that the interviewees take when answering a question may play an important role, especially, if the research focuses on feelings and perceptions of respective interviewees. (Ghauri & Grønhaug 2002, 100–102.)

As qualitative research often employs conversational interaction between the interviewees and the researcher according to a semi-structured questionnaire, this method was utilized to engage in a more relaxed and open conversation (Ghauri & Grønhaug 2002, 85–89). Furthermore, the focus group interview even encouraged participants to interact with each other to distinguish elements of social cohesion and effect within the group (Puusa & Juuti 2011, 80–85). A flexible and open atmosphere was created to welcome new ideas and enable slight digression from the core structure to generate potentially relevant findings (Ghauri & Grønhaug 2002, 85–89). This was also to maximize the number of incentives recorded in the research data. Still, this type of research data would require the researcher to have certain expertise to analyze and understand the vast unstandardized data collected (Ghauri & Grønhaug 2002, 85–89).

Before the interviews, a pre-interview questionnaire was sent to the interviewees to collect general information about the personal background and history with online purchases (see appendix 1). These answers were also used to refine existing questions and add further inquiries to the themes included in the interview agenda. The questionnaire and agenda of the focus group interview was revised based on the answers collected in the pilot interview; this provided a more comprehensive description of the participants' prior shopping experience online. Simultaneously, sections that might require a more extensive introduction before asking detailed questions on the subject could be identified and improved.

The semi-structured interview agenda began with a general introduction of the research topic and context, as well as a description of the research method, data collection and confidentiality. This was followed by a self-presentation of the interviewees where each participant briefly explained their background and some behavioral characteristics

as consumers. Next, key terms used in this research were explained with examples to ensure a shared understanding of the terminology, including concepts of price, different types of incentives, e-commerce, among others.

Finally, the focus was shifted toward inquiries on the first research sub-question where the interviewees were asked to elaborate on their motivation for shopping online and selecting a given web shop for purchasing. Furthermore, reasons for abandoning online purchases and leaving a web shop altogether were also discussed. The interviewees also gave examples of specific web shops that they were familiar with, and products that they had already purchased online.

The following section dealt with the role of nonmonetary incentives in the purchase behavior and decisions, as stated in the second research sub-question. In this section, aspects such as brand awareness and reputation of web shops were discussed, as well as other nonmonetary incentives that the interviewee considered influential during shopping. The interviewees were also asked to evaluate the importance of the shopping experience and explain feelings felt during the purchase process. Feelings and behavioral aspects were also tied to questions on impulse purchasing to distinguish incentives and phenomena that result in impulsive purchase behavior.

The third and last research sub-question was concerned with the appreciation of nonmonetary incentives in terms of convenience, time, company values, among others. The interviewees were also asked to evaluate the importance of price in relation to other incentives. Next, the nonmonetary incentives mentioned at previous stages of the interviews were linked to the collection of perceived benefits and risks of the theoretical foundation of this research. Furthermore, the state of personalization and assistance provided by web shops were discussed to explore untapped potential regarding the facilitation of purchasing online. Simultaneously, privacy issues and company ethics received some attention as well due to the increasing amount of personal information that technology companies collect, and extensive regulatory changes like the EU's General Data Protection Regulation, or GDPR, which have followed.

Contrary to the initial plan of conducting a face-to-face interview where the researcher could have paid considerable attention to the gestures, reactions, and tone of voice of the interviewees, the data were collected remotely; the pilot interview was held as a telephone interview and the focus group interview as a video call over Skype. Therefore, video material was only available for the latter, however, including all participants of the discussion. These measures were considered more acceptable due to the unexpected outbreak of the COVID-19 pandemic which quickly raised a concern regarding the physical contact of humans. Even though this change influenced the quality and comprehensiveness of the research data, it was still considered sufficient and accurate in the context of this thesis (Berg 2004, 93–94).

The interviews were also recorded with two separate devices to ensure proper storage of the data which could be accessed and validated by any researcher, for example to assess objectivity of data analysis (Ghauri & Grønhaug 2002, 135–137; Berg 2004, 38). More importantly, the electronic recording of the research data allowed the researcher to carefully listen and observe different aspects of the interviews to form a more comprehensive documentation of the conversations and findings therein. In addition, the researcher took additional notes on a computer regarding all themes and questions of the interviews and confirmed their meaning immediately with the interviewees (Lincoln & Guba 1985, 314–316). (Miles & Huberman 1994, 43–46)

The total duration of the pilot interview was two hours and fourteen minutes while that of the focus group interview was two hours and seven minutes. One female participant was unable to join the group video call on Skype due to technological difficulties. Because of this, the two people in reserve were both invited to participate; this decision was instantly made to ensure sufficient time for the focus group interview, enrich the data, and maximize the number of influential nonmonetary incentives collected.

The interviews were conducted in Finnish which was the mother tongue of all interviewees and the researcher. Therefore, all references to the contents of the research data have been translated from Finnish into English. This was considered necessary to prevent misunderstandings and potential challenges in self-expression during the interviews which could negatively influence the trustworthiness of the research data. (Ghauri & Grønhaug 2002, 106)

3.4 Data analysis

After the collection of the research data, they were carefully examined to find meaning with respect to the research objectives of this thesis (Ghauri & Grønhaug 2002, 122; Berg 2004, 38; Puusa & Juuti 2011, 116). Since the objectives were concerned with the role and effects of nonmonetary purchase incentives as well as other factors influencing the purchase behavior and perceptions of Finnish consumers shopping online, all signs of purchase motivation were the focus of this process. Essentially, the aim was to prepare the research data in a form that would leave little room for ambiguous representations and erroneous interpretations thereof. However, this should still be performed by means that would retain the essential information from the interviews and would not oversimplify expressions, words, or reactions due to personal bias or intentions of the researcher. (Puusa & Juuti 2011, 116–119.)

Due to the central role of the theoretical background, the approach employed principles of a theory-driven data analysis. In other words, the established framework including definitions, research objectives, consumers' perceptions of e-commerce, characteristics of utilitarian and hedonic purchase behavior, as well as elements of herd behavior and

impulse purchasing, steered the methods applied in processing and managing the research data. (Tuomi & Sarajärvi 2018, 80–81.) Since the data were in the form of a voice or video recording that had been converted into text format, the research data could be easily analyzed through content analysis. The analysis utilized numerous concepts that had been validated in prior research regarding the purchase decisions of consumers. The pre-determined framework therefore assisted the researcher when highlighting keywords, recurring patterns, and themes that might emerge in the process of analyzing the data. (Lincoln & Guba 1985, 202–204; Berg 2004, 267–270; Puusa & Juuti 2011, 120–121.) Overall, a set of techniques including data reduction, display and verification were used in content analysis to prepare the research data for conclusion drawing (Miles & Huberman 1994, 10–12; Berg 2004, 38–40; Puusa & Juuti 2011, 120–123).

The first stage of preparation, also known as data reduction (Ghauri & Grønhaug 2002, 138; Berg 2004, 39), involved the thorough examination of the answers provided by the interviewees. Initial notes taken during the interviews were therefore complemented by transcriptions and observations from the research recordings, simultaneously comparing and verifying the exactness and clarity of the original notes. Due to the vast amount of raw research data, special attention was paid to any signs of purchase motivation including emotions and feelings of uncertainty at different stages of the purchase process, excluding irrelevant data and simplifying expressions of interest (Berg 2004, 39). Even incentives that would primarily be defined as monetary in nature were included in the reduced research data at this point, to provide a more comprehensive and comparable collection of influential incentives before further processing of the data.

In the second stage, commonly referred to as data display (Miles & Huberman 1994, 91–102; Berg 2004, 39; Puusa & Juuti 2011, 120–123), all interview questions and answers were first entered into a table in a spreadsheet program to manage them more efficiently and to allow systematic processing of the data. These question and answer combinations were then numbered according to their chronological order in the interview agenda, separating themes or sections of the research and their respective sub-questions. Finally, the answers given in the interviews and the supplementary comments by the researcher were carefully examined to assign matching incentives to each instance. The incentives had been collected throughout the research, including various aspects of the purchase process that were sourced from the theoretical background, business reports, research data, as well as from the personal experience and observations of the researcher.

All incentives were subsumed under one of nine main categories based on their inherent attributes and similarities with other incentives in the category (Miles & Huberman 1994, 255–256). These main categories were focused on distinct building blocks of a web shop business strategy and were all acknowledged and supported by the established framework. They also presented the variety of incentives collected in a more

tangible manner from a business perspective. The main categories were as follows: customer service, company profile, shipping and delivery, products and services, product information, website design, payment methods, personalization, and price. In addition, two more categories were formed to collect different emotions and feelings of uncertainty to distinguish which incentives and stages of the purchase process they were associated with. In other words, these two categories did not aim to collect nonmonetary incentives, but rather provided an emotional perspective for data analysis. Hence, they are not included in figure 3 displaying the main categories formed.

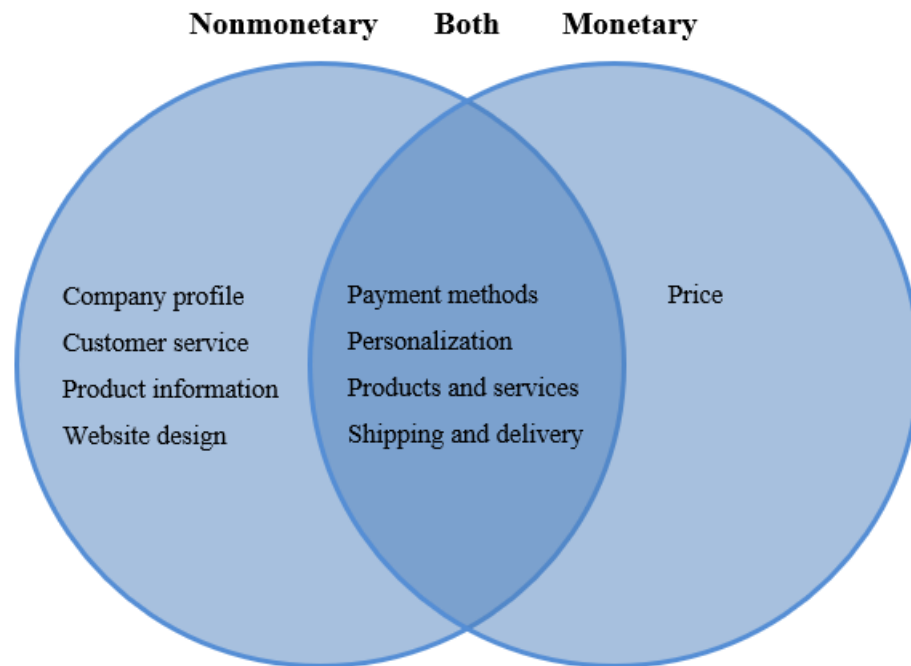


Figure 3. Clustering of collected incentives under main categories

The initial clustering (Miles & Huberman 1994, 248–250) was also used to identify potential patterns in whether incentives of the same main category could be exclusively described as nonmonetary or monetary in nature. Therefore, both types of incentives were still included at this stage of the research process to clearly display and justify which categories would proceed to the next stage of data analysis, and which would be largely disregarded. Even though many of the created main categories exhibited qualities of both types of incentives, only price was found to exclusively bear relation to monetary incentives. For example, shipping and delivery could refer to monetary resources exhausted in the purchase process, or the level of service between orders that were delivered straight to the recipient's home instead of limiting the collection to designated pick-up locations. A similar analogy could be used for other main categories located in the intersection of nonmonetary and monetary incentives. Except for price, the remaining eight main categories were selected to represent nonmonetary incentives at the next stage

of data analysis, which would provide a more scientifically validated perspective to the evaluation and conclusion drawing of the findings.

The incentives and other elements collected became sub-categories in their respective groups, after which they were all labeled through coding (Miles & Huberman 1994, 56–58, 64–65); main categories were coded with an abbreviation of three letters, followed by a hyphen, after which five more letters were added to specify the sub-category. There was a total of six to twenty-five sub-categories formed between the different main categories which were all mentioned at least once during the interviews. All categories and their respective codes were used to collect similar references from the interviews and to allow theoretical concepts to be assigned to each code later in the analysis. This would also facilitate the conclusion drawing and implications suggested based on the findings in this research. (Miles & Huberman 1994, 56–58, 64–65.)

Consequently, theoretical concepts discovered during the literature review were assigned to all suitable categories. The aim was to clarify which concepts were associated with the range of incentives collected and to form a more comprehensive understanding of their reciprocal relationships. The assigned theoretical terms were also color coded by using closely related shades of colors to depict similarities and to distinguish eminent differences between them. For example, different shades of blue were used for references to trust and uncertainty, as well as to the integrity and benevolence of web shops. Similarly, personalization was connected to compatibility with shades of purple, whereas convenience and accessibility were highlighted with shades of orange. This color-coding presented another perspective for the conclusion drawing by highlighting relationships between concepts used in prior research on e-commerce, alongside the nine main categories that were formed in the previous stage of data analysis based on strategic elements of a web shop. Finally, manifestations of utilitarian and hedonic purchase behaviors, herd behavior, and impulse purchasing were also indicated next to each sub-category, even though their role in the purchase decisions of Finnish consumers would be based on the findings of the research and all theoretical concepts connected to them.

In the third and last stage of data analysis, the research data were verified for conclusion drawing (Miles & Huberman 1994, 11–12; Berg 2004, 39–40). This was carried out by employing specific methods to test the validity of meanings and interpretations generated in the research process to justify their purposefulness (Miles & Huberman 1994, 245). Even though these methods are primarily suggested for assuring the quality of the research data, some were harnessed to test and consolidate theories of prior research on a more general level.

In fact, both procedures of categorization in data display, the main categories formed from incentives and the revision of theoretical concepts, were particularly enlightening and crucial for confirming similarities within the range of theoretical concepts applied.

Interestingly, this led to the factoring (Miles & Huberman 1994, 256–257) of some concepts, as they were noticed to carry similar meaning in the e-commerce context. As a result, merely seven theoretical factors remained, out of which six exhibited qualities of nonmonetary purchase incentives. These six qualified factors were labeled as follows: convenience, compatibility, web shop structure, trust, information, and products. The excluded factor only bore relation to financial aspects like price, surcharges, as well as discounts and rewards, which were comparable with the exclusion of price from the main categories in the initial stage of data display. All factors and their respective concepts can be viewed in table 1.

Table 1. Factoring of theoretical concepts on consumer perceptions in e-commerce

Convenience	Compatibility	Web shop structure	Trust	Information	Products	Financial
Accessibility	Personalization	Design	Integrity and reputation	Language	Availability	Price
Comfort	Brand loyalty	Transportability	Ratings and reviews	Quality and presentation	Quality and scope	Surcharges
Time	Co-creation	Gamification	Social		Buyer's protection	Discounts
Physical		Recreation	Benevolence			Rewards
			Privacy and security			
			Uncertainty			

The remaining six theoretical factors were formed as follows; firstly, accessibility, comfort, time, and the existence of a physical store were all classified as manifestations of convenience. Secondly, personalization, brand loyalty and aspects of co-creation were connected to compatibility which emphasized the purchase behavior and lifestyle of individual consumers. Compatibility was purposefully separated from its theoretical construct of convenience due to the increasing attention that personalization of shopping experience has received in recent publications (E-commerce in the Nordics...; E-commerce trends 2020). Thirdly, a more general perspective to structural elements of web shops was conceptualized under web shop structure, including concepts of design, transportability, gamification, and recreational elements of the web shop. Fourthly, trust encompassed the role of ratings and reviews, social aspects of the web shop, as well as perceptions of integrity, benevolence, privacy, and security, altogether. Moreover, feelings of uncertainty were also included due to their integral relation to trust. Fifthly, information was related to the language, quality, and presentation of all information such

as those of product descriptions and company profile. Finally, products encompassed elements of availability, buyer's protection, as well as the quality and scope of products offered by the web shop.

On the other hand, the research data were initially collected as separate incentives, which were assigned to one main category according to a set of attributes describing the clusters formed (Miles & Huberman 1994, 248–250). Admittedly, not all incentives would only fit under a single category, but could relate to others in some instances; the same could be argued for the factoring of some theoretical concepts (Hodson 1991, 52–53; Miles & Huberman 1994, 249). However, their influence on data management and the conclusions to be drawn were mitigated by evaluating their suitability under each category or factor, and simultaneously contrasting them with each other (Miles & Huberman 1994, 254). All incentives and their respective main categories could also be tied to at least one of the factors generated, confirming their congruence with the theoretical framework (Miles & Huberman 1994, 261–262). Moreover, representations of all sub-categories in the research data were counted, to provide additional support for verifying neutrality in the analysis, regardless of the exploratory nature of this qualitative research (Miles & Huberman 1994, 252–254).

3.5 Trustworthiness

The scientific relevance and trustworthiness of the methods and findings in this research were evaluated through a set of criteria commonly used in qualitative research. These are referred to as the credibility, transferability, dependability, and confirmability of a study. These criteria aim to take different but complementary approaches to evaluating the applied research design which simultaneously assists the researcher in validating the research methods used according to a scientifically approved framework, as well as provides additional assurance on trustworthiness for other inquirers. The selected criteria were considered more suitable for the purpose of this research as opposed to conventional terms that have primarily been used in quantitative research, also known as the internal and external validity, reliability, and objectivity. (Lincoln & Guba 1985, 290–301; Puusa & Juuti 2011, 154–161)

Credibility deals with the probability of the study to produce findings that are justified and believable in the research context (Puusa & Juuti 2011, 155). This evaluates the truth value of the study for example through methods of persistent observation and triangulation. (Lincoln & Guba 1985, 296, 301–307.) In this research, persistent observation was demonstrated through the extensive in-depth pilot and focus group interviews which allowed the researcher to concentrate on issues that were most relevant to the research thanks to a semi-structured interview agenda (Lincoln & Guba 1985, 304–305; Marschan-Piekkari & Welch 2004, 186–188). Triangulation, on the other hand, was

considered by establishing a comprehensive theoretical foundation on the research topic from a variety of studies and reports on behavioral elements and perceptions on e-commerce (Lincoln & Guba 1985, 305–307). Moreover, the empirical in-depth interviews with multiple Finnish consumers of the selected age group, and the vast background of the researcher on e-commerce provided further support for the probability of the research to produce scientifically relevant findings and potential managerial implications thereof (Lincoln & Guba 1985, 305–307, 313–314; Puusa & Juuti 2011, 158–162). The accuracy of answers collected during the interviews was also immediately confirmed with the interviewees through feedback to increase credibility on the basis of member checks (Lincoln & Guba 1985, 314–316; Miles & Huberman 1994, 275–276). The limited number of interviews conducted was justified, as the nature of this research was to explore potential nonmonetary incentives which would require further research to measure their relative influence in the purchase process (Marschan-Piekkari & Welch 2004, 186–188).

Transferability evaluates the extent to which the findings and interpretations of a research can be applied to other settings. Since qualitative research does not generate precise statements which are supported by limits and other figures found in quantitative figures, the applicability of the research relies heavily on a comprehensive and detailed description of the research setting and findings. This includes all aspects of the research design, theoretical background, and other factors necessary, when assessing the transferability of the original research in other contexts and even by other researchers. (Lincoln & Guba 1985, 290, 316; Puusa & Juuti 2011, 156.) In this exploratory research, the context consisted of Finnish consumers of a certain age range in B2C e-commerce to avoid inaccurate and inconsistent findings that could be erroneously produced, if this research of only two interviews and few participants represented the role of nonmonetary incentives on a global level, for example. The focus on nonmonetary incentives enabled the topics discussed in the interviews to be more specific and profound, without compromising on the possibility to flexibly digress from the core structure thanks to the semi-structured agenda, which could result in further findings in the research context (Ghauri & Grønhaug 2002, 85–89). Finally, the interviewees could be carefully selected as purposive selection (Lincoln & Guba 1985, 199–202; Berg 2004, 36) from the researcher's vast network of Finnish consumers in the desired age group. The selected interviewees were Finnish citizens who had previous experience with shopping online and a suitable age, apart from two participants of the focus group interview who were a few years under the set age range. Furthermore, all interviewees had placed orders in foreign web shops and over half of them actively followed certain web shops or individuals who were considered as influencers (Stubb & Colliander 2019) in social media. Up to 75% of the interviewees also agreed to make impulse purchases regularly.

Dependability is partially connected to credibility in qualitative research, as it is concerned with the accuracy and comprehensiveness of reporting standards regarding different stages of the research. In other words, the employed research approach should be justified and logically represented in the research methods, data collection, data analysis, results, and conclusions drawn therefrom. (Lincoln & Guba 1985, 316–318.) Dependability therefore evaluates the consistency of findings between separate inquiries that collect data according to same or similar research designs (Lincoln & Guba 1985, 290; Puusa & Juuti 2011, 156). Thus, the degree of dependability in this research was determined by the detailed description of 1) the research setting among Finnish e-shoppers of a certain age range, 2) the ability of the selected research approach to reflect the purchase behavior and perceptions of the interviewees, and 3) the consistency and traceability of all stages of the research process including data collection, management and conclusions with respect to the theoretical foundation and objectives of the research (Lincoln & Guba 1985, 316–318; Puusa & Juuti 2011, 157). Furthermore, the additional notes taken during the interviews and the confirmation of their accuracy with the interviewees increased the consistency of the research during data collection (Lincoln & Guba 1985, 314–316; Miles & Huberman 1994, 43–46). Since the interviews were recorded and findings were converted into text format, the research data could be easily accessed during and after data analysis (Miles & Huberman 1994, 43–46; Ghauri & Grønhaug 2002, 135–137; Berg 2004, 38). However, since the language used during the interviews was Finnish and all information was later translated into English for reporting purposes in this thesis, the data collected and findings therefrom may have been influenced by the subjective interpretation of the researcher (Lincoln & Guba 1985, 318; Ghauri & Grønhaug 2002, 106).

Confirmability, which assesses the neutrality of the research, could be effortlessly verified thanks to the vast documentation of different stages of the research (Lincoln & Guba 1985, 290, 299–300). As with dependability, it draws from the data collected but aims to evaluate the degree to which identical findings could be produced by other researchers. This implies that the role of subjective interpretation should be minimal and an explicit audit trail of all records of the research should be accessible. (Lincoln & Guba 1985, 299–300, 319, 323; Puusa & Juuti 2011, 161.) In this research, a solid and comprehensive audit trail was established by 1) collecting scientifically relevant data for an exploratory research, 2) recording the interviews and taking extensive notes in the process, 3) reducing and reconstructing the research data under logical themes, categories and factors according to the theoretical foundation and objectives of the thesis, 4) extensively describing all stages of the research, and 5) explaining and separating the influence of personal intentions and motivations of the researcher from the research design and data collection to prevent or diminish the effect of subjective interpretations

on the findings and conclusions as a result (Lincoln & Guba 1985, 319–320). Still, qualitative research and semi-structured interviews are inevitably influenced by the perceptions of the researcher due to which methods of triangulation such as references to literature and findings by other researchers, as well as member checks confirmed with the interviewees were of great importance (Lincoln & Guba 1985, 314, 318–319; Miles & Huberman 1994, 266–267, 275–276; Puusa & Juuti 2011, 160–162).

3.6 Research ethics

The moral principles that guide the researcher through different decisions at all stages of the research process determine the ethical soundness of these actions. Some of these guidelines assess the consent of participants, as well as the beneficence, objectivity, confidentiality, and methods of data generation and analysis of the research (Orb, Eisenhauer & Wynaden 2001; Aluwihare-Samaranayake 2012). By applying ethical principles of research, the aim is to develop an accurate and better understanding of the participants' world (Aluwihare-Samaranayake 2012, 67).

Consent comprises the detailed and truthful explication of the benefits and risks which may be perceived and experienced by the participants (Beauchamp & Childress 1979; Williamson 2007; Aluwihare-Samaranayake 2012, 67). In this research, participants were informed about the purpose, extent and nature of involvement, and aspects of confidentiality already at the preparatory stage where carefully selected interviewees that had agreed to participate completed a pre-interview questionnaire (Bulmer 1982, 247; Williamson 2007; Miller & Boulton 2007; Shaw 2008, 407; Mero-Jaffe 2011, 237). This questionnaire not only clarified the thematical framework of the research and reasons for preliminary questions on the participants' purchase behavior and experience with online shopping, but also provided information on data collection and management, confirming the confidentiality of any personal information obtained (Data protection guideline for thesis research, University of Turku; Ells 2011). On the other hand, questions that might increase the possibility of identifying participants were limited to age, sex and education, alongside the aforementioned inquiries on purchase behavior, most of which were general in nature and only offered predetermined answers to choose from (Data protection guideline...; Orb et al. 2001, 95). Since the interviews were recorded for sound and video, participants were asked to confirm their approval of each type of recording with separate questions. To ensure high quality of the research data and an unbiased research setting, participants were asked to test their connection and devices prior to the interviews, thereby mitigating potential issues that might arise and sources of disturbance that might influence their input. (Mero-Jaffe 2011, 234.)

The participants were reformed about the aspects of the research at the beginning of the interviews, and the submission of the questionnaire was confirmed with all

interviewees. Despite the previously mentioned precautions regarding potential issues with the connection and devices used, one of the intended interviewees was unable to participate in the focus group interview, thus, disregarding the role and effects of this individual on the research data. Nevertheless, the exclusion of this interviewee was not considered harmful as the participant was not found to represent a vulnerable or otherwise distinctive population with regards to the goals and objectivity of the research. The research was not either dependent on other interviewees, and thus allowed anyone to withdraw from the research without inflicting critical disruption of the data. (Brown & Thompson 1997; Booth 1999; Denzin & Giardina 2007; Resnik & Shamoo 2009.)

The remaining participants could also refrain from giving an answer to personal or otherwise sensitive inquiries by remaining silent or notifying the researcher through private messages when prompted to reply (Orb et al. 2001, 94; Richards & Schwartz 2002). Overall, the aim was to avoid excessive questions that might come across as too personal. Participants were also advised to use private messaging for asking permission to speak should they encounter any obstructions to communicate, such as dominating interlocutors or the like. Similarly, the arrangements on sensitive issues and voluntary interaction were made to distinguish between individualized and collective consent (Lloyd, Preston-Shoot, Temple & Wu 1996; Clear & Horsfall 1997). Accordingly, the aim was not to exert pressure on the participants to ensure that participation would be as natural as possible (Knox, Mok & Parmenter 2000; Mero-Jaffe 2011, 240; Aluwihare-Samaranayake 2012, 69).

Since the data were only collected for the purpose of this research and they were owned and managed by the researcher, all information could be easily accessed or removed upon request (Data protection guideline...). The personal information collected did not enable identification of natural persons, and references to the interviewees were anonymized in this thesis (Data protection guideline...; Orb et al. 2001, 95). All interviewees were personal contacts of the researcher; the relationships varied between friendship to professional acquaintance. Even though certain power relation could be briefly discussed for objectivity, this was not found to harmfully manipulate the processes of data collection and analysis (Orb et al. 2001; Shaw 2008; Mero-Jaffe 2011, 239; Aluwihare-Samaranayake 2012.).

On the other hand, some interviewees could be argued to have participated due to assuming a duty in the relationship, for example, to assist a friend asking for a favor (Holloway & Wheeler 1999). Admittedly, this could influence the probability of participation, but the previous relation was considered beneficial instead, lowering the threshold of openly interacting in the direct communication with the researcher and other participants, especially in the single interview session (Aluwihare-Samaranayake 2012, 65). The underlying relationship might even result in the unintentional disclosure of

excessive information (Stacey 1988), which was counteracted and managed by applying member checks during the interview (Acker, Barry & Esseveld 1983; Rodgers 1999). Finally, the interviewees did not receive any monetary or other compensation for participating in the research (Shaw 2008, 407; Head 2009).

Since the research was highly dependent on data that consisted of subjective experiences in online shopping, the comfort of the interviewees and the beneficence of the research was essential to maintain relevance and objectivity (Lerum 2001; Aluwihare-Samaranayake 2012). Inevitably, experiences refer exclusively to past events that lose relevance with time as the analysis and interpretations of such data may already be outdated if applied to future scenarios (Mero-Jaffe 2011, 237). Moreover, the employed research methods in data collection and analysis modify the data because of the subjective interpretation of the researcher (Clandinin & Connelly 1994); by distinguishing personal perceptions, theoretical constructs and the collected research data all in their purest form, the research data are able to reflect the participants' voices as accurately as possible (Richards & Schwartz 2002; Aluwihare-Samaranayake 2012, 72). This was maintained by developing a purposeful research design that highlighted the importance of recordings and documentation, allowing effortless and comprehensive retrieval of the research data that can be tested for coherence and objectivity (Ramcharan & Cutcliffe 2001, 361–362).

Even though the transcriptions were made in a denaturalized format excluding nonverbal aspects from the research data (Oliver, Serovich & Mason 2005; Mero-Jaffe 2011), the intonation and reactions of the participants could be viewed in the video recording (Poland 1995; Sedlak 2003). The two separate formats of the research data also diminish the probability of disparate interpretations between different individuals analyzing the data, as opposed to studies with merely transcriptions of speech which are approached with methods of written content analysis (Mero-Jaffe 2011, 240). Still, such third-party interpretations would lack the involvement of the interpreter in all stages of the data collection and management, as the researcher not only conducted the interviews, but also transcribed the recordings for data analysis. The awareness and control of the research process may partially assist in the deep understanding of the research data, relations and interpretations thereof, but simultaneously create challenges in the process due to the disposition and intentions of the researcher. (Poland 1995; Orb et al. 2001; MacLean, Meyer & Estable 2004; Mero-Jaffe 2011, 233–234.)

Finally, all processes of the research strived to emphasize on transparency and honesty to retain objectivity of the research actions. Written documentation of these actions was a key principle in this research to ensure long-term auditability of all research stages (Data protection guideline...; Ramcharan & Cutcliffe 2001, 361–362). Prior research was acknowledged and respected by including source references to the original authors where applicable, and by limiting direct quotation of these sources.

4 RESULTS

The research of this thesis aimed to explore nonmonetary incentives that affect the purchase decisions of Finnish consumers shopping online. The discovered incentives were subsumed under nine main categories: customer service, company profile, shipping and delivery, products and services, product information, website design, payment methods, personalization, and finally price, which was the only category exclusively related to financial aspects of the purchase process. The remaining eight categories contained either nonmonetary incentives, or qualities of both types of incentives, and were therefore the main focus in the reporting of results. Feelings and thoughts of uncertainty that were connected to the collected nonmonetary incentives remained in the reporting stage to explain how Finns reacted to different elements of the purchase process. These reactions depicted the direction and magnitude of consumer perceptions associated with the respective incentives; some conveyed particularly positive emotions while others depicted a negative connotation with an unexpected or undesired element.

The results are first presented under the main categories formed through the clustering of the research data in data analysis, since the research questions were closely connected and partially overlap thematically. Each research sub-question is then answered by utilizing applicable findings from all categories to retain the focus on the objectives of this thesis and to summarize key elements of each section. The sub-questions were as follows:

- What motivates Finnish consumers to select a specific web shop for purchasing?
- What is the role of nonmonetary incentives in the purchase decisions of Finnish consumers planning to shop online?
- How do Finnish consumers give value to nonmonetary incentives? Why?

Having addressed the three sub-questions, the collected and presented results are then used to answer the main research question, namely, which nonmonetary incentives influence the purchase decisions of Finnish consumers in e-commerce. The reporting of results simultaneously prepares the collected material for discussion and conclusion drawing in the following chapter.

4.1 Customer service

The studied Finns considered a swift and resourceful customer service in a common language important for shopping. Still, a common language did not always suffice if either of the interlocutors was unable to express their thoughts clearly. The interviewees therefore preferred communication and website content to be in their mother tongue, or in English, depending on the quality and complexity of the information in question. This

way they would not be forced to use machine translation services during shopping, causing risk of misinterpretation.

One interviewee also considered service in traditional shopping channels to be more trustworthy, while a similar service situation online would be more likely to only highlight the strengths of a product in question. The expertise and honesty of sales attendants lowered the uncertainty in shopping, whereas the presence and immediacy of customer service was sometimes essential to purchase. Some Finns even expected to be served around the clock, despite understanding the challenges of providing service at night, or on otherwise unconventional occasions.

If there were a live chat service – – when I have found the product and am interested – – I could immediately consult the store instead of wasting my own time searching for contradictory testimonials on Google. (pilot, 6.5.1.)

Another interviewee was oftentimes discouraged to contact customer service due to disappointing prior experiences and would therefore not order from web shops that failed to provide a satisfactory outcome. On the other hand, the same person appreciated first-hand experiences of products among the staff; these could then be harnessed to genuinely find a working solution for the customer. Some considered the presence of customer service beneficial during stressful stages of the purchase process to alleviate uncertainty in purchase decisions. They were comforted with signs of care and importance to succeed in their purchases. By adding a hint of personalization in the communication, e-tailers could further improve the overall shopping experience.

If I am about to order a product and am informed about compatible products, or even receive a phone call – – I feel that the store cares about me and not just my money. (pilot, 7.2.1.)

*No generic confirmation emails – – more open and customized messages – –
“This specific person processed your order.” (pilot, 7.3.1.3.)*

The person responsible for processing the order could later be contacted if the customer needed assistance with the product, whereas chat bots were limited to answering predetermined questions online. The need for personal assistance before and after purchase also received more attention with more expensive or complex products. However, one interviewee had experienced increased responsibility to purchase after seeking assistance from sales attendants, as in the form of returning a favor.

4.2 Company profile

The interviewees preferred to shop in familiar online stores, especially when investing considerable amounts of money. A personally validated reputable e-tailer alleviated uncertainty associated with unknown web shops, whose integrity and transparency were more questionable. Several Finns in the study raised concerns regarding situations where they would order something online, be disappointed with the product or never receive it, and struggle to return the product or otherwise settle the issue with the e-tailer. A few interviewees even mentioned that they were more convinced to order something online for the first time thanks to a previously established customer relationship with the retailer.

*Everyone knew the store, so it was safe and easy to buy from online as well.
(group, 1.1.5. & 1.1.7.)*

Many Finns also agreed that safety and trust sometimes surpassed otherwise influential aspects, such as price. In this regard, interviewees considered local e-tailers to be most trustworthy and therefore intended to opt for companies based in Finland. Others were loyal to a specific brand or wanted to support an e-tailer in its strategic endeavors.

If I have ordered a few times from a certain web shop and everything has worked fine, I tend to return and not look for other alternatives – –. (group, 3.2.4.1.)

In the event of encountering unknown web shops, some of the studied Finnish consumers were accustomed to searching for feedback and testimonials of other consumers online. Regardless of this habit, one interviewee was suspicious of the reliability of these ratings and reviews due to fanatic fan bases and paid reviews that rarely criticize the product or e-tailer in question. Another Finn surfed the internet seeking reassurance of the e-tailer's existence and evidence of other consumers' verified purchases. If there was only negative feedback to be found, the interviewee chose not to shop.

In a world with increasing attention to environmental and ethical issues, some Finnish consumers even faced situations where they justified their purchase partially based on the values or mission of the e-tailer. Several interviewees considered expiring and second-hand products more acceptable since they had already been used or would otherwise be disposed of soon.

*They explain how you saved the world by purchasing food going to waste.
(group, 12.1.5.)*

Other interviewees gave examples of how some companies genuinely respected their business partners by not only offering mutually beneficial terms, but also by adjusting their revenue model temporarily in challenging times, for example, during the COVID-19 pandemic. Other acts of benevolence were associated with elements of entertainment and unique means of marketing communication. In this case, the interviewee was fond of the fun aspect in business and even followed the e-tailer in social media for its amusing content.

They just have such ludicrous advertising – – for example, if you place an order you receive an email where the order is supposedly being delivered to your house with the theme song from MacGyver playing in the background. (group, 12.1.1.2. & 12.1.1.3.)

For some of the studied Finnish consumers, the environmental impact from emissions, travel distance and excessive ordering had been acknowledged but had little effect on purchase behavior. Moreover, companies were oftentimes found to mislead customers through greenwashing due to which some interviewees preferred to see concrete acts and improvements in the business operations instead of merely compensating for their unsustainable operations monetarily. One interviewee expressed satisfaction with the possibility to compensate for the carbon footprint generated in shipping the order. Another Finn admitted to often disregard the fact that products sold in Finland are often manufactured elsewhere. This thought was also shared among other interviewees.

4.3 Shipping and delivery

The influence of shipping methods on web shop selection and purchase decisions was primarily associated with the sense of urgency and convenience. Most interviewees emphasized the importance of fast delivery, for example, if there was a special occasion for which the product was needed. One interviewee explained how a longer delivery time may bring forth thoughts of regret for purchasing a product.

I often opt for a domestic web shop with next-day delivery – – That is when I feel the desire and need: I want the product right away. – – The longer I do not have the product the more I feel that I do not need it. (pilot, 12.1.1.)

This person often compared shipping methods of different web shops in Finland and abroad between which the total waiting time ranged from one day to several weeks. Limited options and lengthy delivery times often discouraged to purchase from a given web shop. Other Finns in the research mentioned occasions in which they had either given up hope of ever receiving the product or had even forgotten about the order altogether. One interviewee suspected that a bad experience had influenced the overall tendency to

shop online. The same person was still willing to wait longer times for products in advance sale, as long as the delivery time was clearly indicated.

Several interviewees paid considerable attention to the delivery method as well. While some considered the possibility to see and touch the product in a store or show room relatively important before purchasing, one of the studied Finns praised online stores for not having to approach and converse with sales attendants at any point of the purchase process. Though the same person admitted to having visited a store for its physical benefits, online shopping was more convenient when tangibility was less important, or the product could be decided upon and shipped to a desired location without extensive consultation of the customer service. Another interviewee even considered home delivery to be sometimes more troublesome than pickup at a parcel point.

Finally, most interviewees agreed that shipping costs, as part of the total price of the product, influenced the tendency to purchase. Similarly, free shipping not only incentivized Finns to place an order but also to purchase more products to exceed a designated order value set by the web shop to obtain such a benefit. A few of the interviewees even agreed to have purchased products they did not need for free shipping.

4.4 Products and services

All studied Finns agreed that a vast product selection was a key element of an appealing web shop. While some enjoyed browsing an endless listing of new and enticing products, others were caught by the uniqueness of rare items or the assumed limited availability.

They have heaps of different products but only one of each, because it is a flea market. So, the clock is always ticking, and you therefore have to purchase immediately, if you want something. (group, 5.1.4.2.)

Sometimes the interviewees justified their purchases by selecting used items to alleviate uncomfortable feelings of potentially excessive consumption. Some were highly focused on certain brands and increasingly prone to react on seemingly unique campaigns associated with them. Others could also be convinced by sufficient proof of a product being easily put to use and fulfilling its purpose. Moreover, the upgradability of products and cross-selling in the web shop enhanced the attractiveness of different alternatives on some occasions.

One of the studied Finnish consumers explained how referrals from friends incited purchases in a web shop by creating positive and even compulsive perceptions toward the product selection. These feelings were often encountered with new products which were regarded as state of the art in the moment.

It facilitates my everyday life when I have the latest generation of home appliances... (pilot, 3.2.5.)

The same person considered warranty as an influential incentive which could compensate for a higher price. Similarly, the return and exchange rights were valued by most of the studied Finns to lower the threshold of purchasing. The flexibility and transparency on terms of return and exchange were perceived as proof of the quality and usefulness of a product. One interviewee was prepared to transfer the shopping routines for clothes online, when web shops begin to clearly state their policy on returns and even offer them free of charge.

Finally, some e-tailers utilized other types of value-adds to influence the purchase decisions of consumers. These included product customization, giveaways, or other forms of a unique shopping experience. One interviewee had a positive experience of receiving a lollipop with the order regardless of the frequency and value of orders placed. Another one had been able to replace a free giveaway with an environmental act; the e-tailer promised to plant a tree for each order received. Depending on the relevance of value-adds to the customer, some diversified the product selection and distinguished it from those of competitors.

4.5 Product information

A unique and wide product selection was still not enough if the web shop failed to communicate the key features and suitability of products to consumers that were thirsty for information. In fact, all interviewees agreed to have paid attention to the quality and extent of content presented in web shops, describing and displaying the products in question. Even though some were accustomed to seeking convincing information of products through search engines, forums, and other external sources, one of the studied Finnish consumers would sometimes leave the web shop completely if there was not sufficient information available.

The lack of information included unclear or inadequate number of product photos, brief and excessively generic descriptions, absence of necessary sizing charts, and questionable reviews that increased the bias toward the e-tailer.

They have a fan base that, without hesitation, supports everything the e-tailer does only because they like its corporate image so much. I also do not trust especially video reviews online anymore. -- 99% of these reviews are paid or the reviewer gets the product as compensation. (group, 5.1.3.3.)

Too positive an image in the previous testimonials and feedback from other consumers created distrust among the studied Finns as they were unsure which reviews were truthful

and worthy of note, and what was the message behind the rest. Several interviewees associated single blurry or pixelated photos along with suspicious ratings and reviews as signs of fraud where the e-tailer in question had no intention to send the respective product or did not have a web shop altogether. To develop or restore trust in a web shop, the interviewees utilized supposedly unbiased comments and reviews in blogs to verify the correctness of information in a web shop.

When the product arrives and it is good, I feel satisfied. (group, 9.2.1.3.)

When interviewees ordered a product and were unsure of its suitability for them, they felt uneasy until the product arrived and proved to be as perceived, and therefore a successful purchase. To reduce uncertainty about inconsistency, some Finns preferred to visit a physical store or show room prior to placing the order online. Similarly, all information regarding the order process and buyer's protection increased the attractiveness of the web shop.

One interviewee appreciated descriptions that were in the form of a story with cosmetics, as they were interesting to read while being informative as well. Some considered product-related tags like customers' favorite, and cross-selling referrals beneficial whereas one of the studied Finns was hopeful for elements of augmented virtual reality in the purchase process. Finally, one interviewee regarded first-hand experiences of products among staff useful and even necessary on the product page. The total amount of information necessary was determined by what was sufficient for the interviewee in the absence of customer service.

4.6 Website design

Whereas traditional retailers generate sales through physical points of sale in brick-and-mortar stores, e-tailers rely on web shops and other channels that function as the central platform of commerce online. All interviewees therefore considered the structure and design of web shops very important in the purchase process. While some of the studied Finns paid considerable attention to the layout and visual elements of web shops, others preferred technical elements like website load time to be intact. A few interviewees also required the web shop to be responsive between personal computers and mobile phones and would not accept interruptions while shopping due to technical difficulties, or other challenges regardless of whether the e-tailer could be held responsible.

I become immediately irritated if a website does not work. If it loads for more than three seconds, no no no... I do not care if it is my internet that is not functioning properly, but the e-tailer deserves to suffer from it. So, I stop browsing immediately. (group, 3.1.6.1.)

This interviewee was specific on the amount of time accepted for waiting and allowed little understanding for discontinuity in the shopping process even if the source of issues could be traced back to the user itself. The same person did not consider shopping a voluntary pastime but rather an activity that was always triggered by push advertisements and referrals in social media. Several other Finnish consumers shared similar experiences in social media, for example on Instagram, where they would encounter paid advertising or photos of another user, click the photo and enter a web shop.

I do not necessarily make a purchase decision immediately but at least save the website for later. I probably have around 200 pages saved on Facebook and Instagram. (group, 3.1.2.1.)

I often tend to look for inspiration in web shops, but do not necessarily purchase. I may even go to a second-hand store instead. (group, 3.1.4.1.)

I must admit that if there is an influencer somewhere, it encourages me to browse, and even if I do not purchase, I give serious thought to it. (group, 3.1.6.2.)

The motivation for reacting to publications in social media varied among the studied Finns: some were particularly sensitive to visual stimuli or testimonials, while others were inspired by interesting content and even dreamt of using the products themselves. The search for inspiration and information online could also be triggered by the interviewees' tendency to browse web shops encountered in search engine results when aiming to inform themselves about a product, trend, or phenomenon.

While most interviewees entered a web shop on their mobile phone, some preferred to place orders exclusively on personal computers. One interviewee perceived the mobile version of web shops to lack some elements in comparison with desktop versions. Some Finns were accustomed to using mobile apps when available, instead of web shops that are accessible in the world wide web. Apps often allowed payment details to be saved for later which facilitated ordering to a simple swipe after a purchase decision. On the other hand, web shops often enabled customers to create an account or utilize third-party payment extensions which simplified the purchase process. Another interviewee was convinced by an e-tailer for bearing the risk of fraud between users of the app.

Feelings of trust and transparency received increasing attention among several Finnish consumers, for example, when the web shop was unknown or the amount of money to be invested was higher. Events where the e-tailer aimed to deceive or lure consumers into purchasing caused distrust and frustration.

One web shop had a 91% discount, after which the price was "only" 90 euros. -- You simply cannot order from such a place. (group, 4.2.6.1.)

-- the "only today" offers in red showing how much time is left cause panic to purchase, and still, the offer is the same the next day. (group, 4.2.6.2.)

Interviewees considered the misuse of discount campaigns and percentages distrustful and would often not purchase, even if the prices were still unbeatable. Similarly, inconsistency between products and other information displayed in advertising and those presented on landing pages aroused unpleasant feelings among the studied Finns. Excessive advertising in the web shop, for example, through pop-ups, distracted the purchase process and was often not considered relevant to the consumer. On the other hand, interviewees appreciated the clear and concise explanation of the web shop's terms and other information when applicable to the consumer. Moreover, one interviewee was particularly impressed by the unique way of communicating different stages of the purchase process through entertaining videos sent to the customer's email.

Finally, web shop structure was also associated with the presentation of products. One interviewee was sometimes frustrated with the cumbersome presentation of products in web shops, especially, when the number of different products was overwhelming and could only be browsed by viewing a fraction of the collection on one page.

What really annoys me is, for example, when search results show 1800 products and you must always click onto the next page after seeing 25 of them. Just show me all 1800 at once -- The clicking is just irritating. -- And sometimes you can filter the results -- they are not relevant, though. (group, 5.3.1.1.)

The functions for filtering and sorting the product listing were often found unsuitable or too restrictive. Other Finnish consumers in the research shared similar experiences and were even suspicious of whether the search tools of a web shop were reliable altogether. Finns were even prepared to scroll through thousands of products instead of trusting search tools of the web shop. Interestingly, cross-selling referrals received mixed feelings: some considered them helpful while others were rather discouraged to purchase them on impulse. This was also true for elements of augmented virtual reality: some were hopeful for the potential in them in the future while others associated them with further load time and risks of discontinuity in the purchase process.

4.7 Payment methods

Some interviewees emphasized the importance of available payment methods, service providers, and the perceived trust and convenience related to them. Even though these received relatively little attention overall, several Finns had a favorite payment method

and were sometimes even hesitant to purchase, if they were forced to select from a limited collection of alternatives at the checkout.

The best payment method is cash on delivery and after that wire transfer.

When it is wire transfer, I do not have to enter my credit card details anywhere and can pay through the online bank services. (pilot, 4.1.2.4.)

You can just swipe, and the product has been ordered. (group, 5.1.6.1.)

Some interviewees based their preferences on the security and trust with the web shop and payment service provider, while others were more attracted to the convenience and immediacy of payment processing. Security issues also received increasing attention with orders placed in foreign or unknown web shops. On the other hand, the simplified payment process involved risks regarding payment fraud when other people gain access to and exploit the saved payment details for monetary benefit.

I most certainly do not want a one touch payment feature that enables one to instantly empty my account on a phone or laptop that has been forgotten on the table in a coffeeshop. (group, 5.1.3.2.)

The same person mentioned a shopping experience from teenage years, where the payment had to be processed by the parents, as none of the available payment methods were suitable for the teenage customer of that time. This interviewee had also encountered issues when using a specific payment service provider that used previously entered consumer details and failed to take notice of the changes in these, after the person had moved elsewhere. The order was therefore delivered to the wrong address which caused inconvenience in the delivery arrangements.

Finally, one of the Finns saw some potential in recurring payments on products that were in constant demand and were rarely replaced by substitutes from other brands. This could reduce the probability of exhausting stock before a replenishment has been obtained. However, this interviewee was unsure whether such a purchase commitment would cause inconvenience if the scheduled order should be terminated for any reason.

4.8 Personalization

In the case of recurring payments, the order automation provided by the web shop could assist consumers by saving time and effort in purchasing through subscription like orders, for example at monthly intervals. While the respective interviewee associated uncertainty and inconvenience with the management of such orders, a genuinely helpful deal on regularly consumed products still attracted interest. Several Finns also appreciated well-

timed and targeted marketing which met their needs and even seemed personalized for them.

In the email newsletters – – it sometimes seems that they have successfully chosen similar items for me based on what I have previously purchased. (group, 19.3.6.2.)

However, at least equally many interviewees had been frustrated with poorly targeted marketing which were based on accidental mouse clicks or taps, casual and aimless browsing, or advertisements that failed to meet the expectations of the consumers when entering the web shop. Finnish consumers often felt that the push advertisements were too generic and sometimes even complicated the purchase process due to unnatural sales attempts that aimed to convince the consumers purchase more. On the contrary, one interviewee explained that unexpected notifications, for example in the form of rewards and customer acknowledgment, encouraged to place an order in response.

I have received an automatic notification when shopping, saying: “Hey, you purchased exactly two months ago. Since you are such a great fellow, here is an extra discount voucher for you.” – – Now I will certainly buy something, if not even more. (group, 13.3.3.1.)

Despite the assumed automation in customer acknowledgement, this interviewee appreciated the recognition of returning customers. Still, as mentioned in the section for website design, some Finns considered marketing efforts of e-tailers questionable when campaigns and limited offers were erroneously presented as unique and targeted for a certain group of esteemed customers. One interviewee expressed frustration and disappointment with the lack of recognition for returning customers and a long customer relationship.

Several Finnish consumers in the research felt that many technology companies responsible for the operation of search engines, social media platforms, and other software online, collect copious amounts of personal data about consumers and still fail to understand their individual purchase behavior and personality.

I feel that my world and options are shrunk, and it is therefore harder to find new things, as they are constantly pushed in your face. I would rather do the work myself, since I may not know even know what I need. If an algorithm would make decisions for me on that basis, it would feel more restrictive and not create value for me as a result. (group, 19.3.3.1.)

Most interviewees either had negative experiences or were doubtful about the capability of technology companies and e-tailers to adjust their product selection to the

personal needs of consumers, even though a few saw some potential in this in the future. Several of the interviewed Finns were therefore more inclined to browse through the complete collection to ensure that the product purchased was the most purposeful. One interviewee preferred to maintain the impression of being in control of purchase decisions, even if the product was initially suggested by the e-tailer. The same person would even counteract product suggestions by refusing to buy the product in question. Another interviewee insisted on never buying products suggested in the form of cross-selling, but still admitted to being susceptible to advertising, for example on social media.

Regardless of the uncertainty or disbelief associated with e-tailers' efforts in the personalization of the shopping experience, most Finns were willing to share more information about themselves to ensure a smoother and more efficient purchase process in the future. The type and extent of data approved of by the interviewees varied from less personal details like color and product preferences to more sensitive aspects including credentials and private information that have unexpectedly been shared with the e-tailer.

If someone suddenly brought up that I am a customer of the local bank, I would immediately react by questioning how the company knows that. This is something that might involve monetary risks for me. -- If I have shared this information voluntarily, that would be ok. (pilot, 17.1.5.)

Overall, any information that did not seem relevant to the purchase process was considered questionable; if the e-tailer does not carry pet products, inquiries about the consumer's pets are equally unfit, even if such information could be shared with other e-tailers or on other occasions. On the contrary, the same person was willing to disclose details of prior possessions of related items and other background information when applicable. Some Finns were even prepared to discuss personal preferences and wishes, for example, with designers, to influence the shopping experience and purposefulness of web shops' product selection and means of personalization.

The direct interaction with another human being from the web shop received further acclaim as opposed to chat bots and automatic messages that could not react to all instances naturally.

They would not all be generic notifications but rather freely written messages -- "Exactly this person just processed your order --." There is a more personal touch, so it is not just a cold web shop, but there is someone there who can contact me if any problems arise --. (pilot, 7.3.1.2.)

Furthermore, one interviewee preferred orders to be handled by sales personnel that could be contacted directly if any questions arise. The same customer service assistant could suggest other compatible products and assist the customer in the purchase process

overall. In addition, some of the studied Finns were hopeful for technological innovations in augmented virtual reality; web shops could create virtual showrooms and harness three-dimensional virtual mannequins to enable the fitting of clothes and to communicate brand image more holistically.

Finally, some web shops allowed customers to select between different alternatives when accumulating bonus or receiving rewards; one interviewee was able to direct all points to environmental acts in the form of planting trees, instead of receiving free giveaways. Another interviewee mentioned an e-tailer who included a lollipop for free in each order. While the custom seemed positively unexpected and thoughtful at first, it lost meaning when the custom was identically repeated each time.

4.9 Price

As the only category pertaining to merely monetary incentives, price was found relatively influential in the purchase process of all studied Finnish consumers. Several Finns were accustomed to actively comparing prices of different web shops, especially, when placing their first order with the e-tailer. The potential of saving money online was also one of the reasons for selecting a web shop for purchasing instead of traditional shopping channels. However, the influence of price lost meaning if the interviewees had experience in purchasing from the web shop, or if they perceived it more trustworthy and safe.

Trust was connected to monetary risks that could result in the interviewees making a bad purchase decision with respect to their expectations or losing their money completely.

If I am about to invest a lot of money, I never go with the lowest discounted price. -- I try to make sure it is a reputable web shop. I would never buy branded products from an unknown web shop. (group, 13.1.1.2.)

Some Finnish consumers often contemplated on what else they could have achieved when investing larger sums of money, even if such products seemed to always meet the needs and expectations. When the amount of money to be invested was lower, Finns were more likely to purchase from less familiar web shops as well. If the products of web shops were unbelievably inexpensive or discounted, Finns suspected them of deceitful or unethical business practices but would sometimes still purchase.

One interviewee explained how used products were often so inexpensive that they could be purchased in larger quantities without exceeding the selling price of new products. Even though the completed purchases did not always seem reasonable, the person justified them by dividing the total shopping cart value by the number of products and accepting the average price. On the other hand, too high a shopping cart value could sometimes surprise and appall the interviewee to where the cart was abandoned altogether, including the product that was initially needed.

Another Finn had the tendency to calculate all costs of the order and compare the total price of products in different web shops. Therefore, the lowest selling price was not always enough, even if the interviewees were attracted to low prices and discounts in general. Many had also encountered special offers and monetary bonuses for returning customers, while others even had experience of the exact opposite.

I get annoyed if long-term customers do not receive any acknowledgement – when you subscribe for the first time you get 80% discount, but after that you never see any discounted prices. – So, you must create a new account each time since they give discounts for others all the time. (group, 4.2.2.1.)

This interviewee disagreed with the business model for customer acquisition and retention; the person felt that returning customers should be acknowledged and rewarded for their repeated business and not undervalued against new customers. As mentioned in the previous section, one interviewee explained how returning customers of a certain web shop would sometimes be unexpectedly rewarded with one-time vouchers as a form of gratification for their repeated purchases.

Finally, some Finnish consumers raised the phenomenon of free shipping as an incentive that influences their purchase behavior online. One interviewee was inclined to add more products to the shopping cart to reach a limit value for free shipping, particularly, when the selling price of the product was equal to the cost of shipping. Another interviewee explained how the concept of free shipping had even resulted in an uncontrollable shopping urge with dozens of orders placed in response. The effect was therefore not only enabling purchases to be made but also increased the shopping cart value with impulsive unplanned purchases.

Overall, the influence of monetary and nonmonetary incentives ranged from incentives that encouraged consumers to select a web shop for purchasing, those that affected purchase decisions when browsing in the selected web shop, and the motivation that steered consumers to appreciate certain incentives in each moment. These were the focus of this thesis with an emphasis on nonmonetary incentives. In the following chapter, these incentives are further discussed by utilizing the results, theory, and expertise of the researcher to draw conclusions for the respective objectives of this thesis.

5 DISCUSSION AND CONCLUSIONS

This thesis studied the perceptions and purchase behavior of consumers in the online context. Purchase behavior was viewed from the perspective of utilitarian and hedonic consumers which were both described in prior literature. Elements of herd behavior and impulse purchasing were also evaluated for their role in the shopping process online. The research focused on exploring nonmonetary incentives that influence Finnish consumers of the selected age range when selecting a web shop and making purchase decisions. The discovered nonmonetary incentives in the research data were subsumed under eight main categories, whereas similar non-financial consumer perceptions from prior literature were divided into six theoretical factors. Both the clustering of the research data and the factoring of the theoretical concepts also resulted in an additional group of monetary or financial elements which were included in the data largely for reference.

Having collected and analyzed the research data, and presented the results of this process, they are contextualized within the theoretical background of this thesis. By making connections to the existing literature and discovering novel or even controversial information, this chapter not only aims to address the research questions of this thesis, but also to generate theoretical contribution and managerial implications in its field of study. The findings are utilized to confirm different elements and phenomena in prior literature and to expand the theoretical foundation of nonmonetary incentives in e-commerce. Simultaneously, a practical perspective of the role and effects of these incentives is presented for business managers and other stakeholders interested in the purchase behavior of consumers shopping online. Finally, some of the limitations and suggestions of future research are introduced to assess the accuracy and purposefulness of this research and potential points of interest that have emerged.

5.1 What motivates Finnish consumers to select a specific web shop for purchasing?

The first sub-question of this thesis was concentrated on the web shop selection process. The aim was to investigate sources of motivation for consumers to shop online and opt for a specific web shop. Here, all types of incentives were included to gain a better understanding of what triggers shopping urge in the minds of consumers and how different circumstances influence the web shop selection process. Simultaneously, emotions and feelings of uncertainty experienced while evaluating the attractiveness of web shops were also considered to comprehend how the studied Finnish consumers react to different stimuli.

Most Finns were initially introduced to online shopping when a desired product was not available in traditional brick-and-mortar stores either due to depleted stocks or the

exclusivity of the product selection. Consistent with the findings of Kim (2004), some consumers were impatient to wait for replenishments and required immediate action to satisfy their needs. When contemplating between different alternatives, Finns considered previous experiences with the e-tailer, if any, and laid emphasis on the trustworthiness of web shops; some feelings of uncertainty were connected to privacy and security issues as discussed in the works of Li (2007) as well as Riquelme and Romn (2014). O'Donnell (2002) referred to this form of reassurance as retailer benevolence. Some of the studied Finnish consumers immediately searched for reassuring information on the integrity and trustworthiness of e-tailers by visiting seemingly unbiased blogs and forums. A similar phenomenon regarding reviews was acknowledged in prior research where positive consumer reviews were found to increase the probability of orders placed by new customers (Sharma & Lijuan 2014; Zhang et al. 2014; Yin et al. 2014; Sachdeva 2016; Frik & Mittone 2019). Bonfield (1974) explained how these new customers were influenced by the thoughts and actions of other consumers and would potentially base their web shop selection on the decisions of an influential herd, as agreed by Du and Kamakura (2011). The proof of other consumers' fulfilled orders and their testimonials about the products and operations of a web shop lowered the risks perceived by new customers, ranging from inconvenience to potential disappointment and monetary loss at different stages of the purchase process.

In fact, Finnish consumers in this research were prone to select a web shop based on prices, for example when purchasing for the first time, or when they had no experience with any of the e-tailers selling the desired products. As confirmed in prior research of Brynjolfsson and Smith (2000), Jensen et al. (2003), as well as Lo, Hsieh and Chiu (2014), Finns perceived the prices of web shops lower than those of physical retail stores; some of the studied consumers were even confident that considerable amounts of money could be saved through online purchases. By joining a web shop's loyalty program consumers sometimes believed to gain access to special offers and campaigns which rewarded returning customers for their repeated business. This would enable utilitarian consumers to maximize monetary savings (Chiu et al. 2014; Bilgihan et al. 2016), whereas hedonic consumers would react impulsively to the supposed low prices (Babin et al. 1994, 647–653; Wolfenbarger & Gilly 2001). Still, substantial discounts and unbeatable prices sometimes raised concern about the trustworthiness and benevolence of a web shop which could drive away potential customers.

On the other hand, some Finns preferred to support domestic web shops and considered it less risky than shopping with unknown e-tailers from China, for instance. Others were susceptible to push advertising in social media and would potentially select a web shop and make a purchase decision impulsively in an instant. Shahpasandi et al. (2020) explained this phenomenon of impulse purchases through the enhanced flow experience

when hedonic consumers, in particular, were absorbed into the virtual world and entertained themselves by browsing and interacting with the web shop (Hoffman & Novak 1996, 57–58; Csikszentmihalyi 2000). Even though entering an online store through web advertisements did not always result in a confirmed purchase, some Finnish consumers in this research would familiarize themselves with the product in the web shop and even save the page for future reference, increasing the web shop's chance of being selected for purchasing.

However, if the web shop structure and design were poorly executed, Finns would be easily frustrated and discouraged to shop. Website quality was also found to increase impulsive purchasing which was incentivized by the emotional appeal and entertainment value for hedonic consumers, and the usefulness and ease of use for utilitarian shoppers (Dawson & Kim 2010; Turkyilmaz et al. 2015; Akram et al. 2018; Destari et al. 2020). Consistent with the research findings of Furness (2007) and Sachdeva (2016), the shopping experience online should be swift and seamless thanks to a responsive website that is accessible through any device without clumsy and unappealing features and visual elements. While hedonic consumers in this research were inclined to enter a web shop and make impulse purchases through push advertising, for example in social media, utilitarian consumers were often annoyed by impersonalized marketing due to disappointments and unsolicited service experiences causing them to even abandon a web shop altogether (Anttila 2016, 58–65, 67–72).

The studied Finns were also mindful of the quality and purposefulness of information provided for products and the purchase process overall since they were doubtful to be served by resourceful and attentive personnel at any time of the day, especially in Finnish. Inadequacy of useful information led to consumers leaving the web shop to search for answers through search engines and restart the web shop selection process at worst, which created a second opportunity for other web shops to attract consumers through efficient search engine optimization (Akram et al. 2018). Sachdeva (2016) explained this inconvenience to counter the fundamental principles of online shopping in being able to shop whenever you want. The effects were ever more significant if consumers felt a sense of urgency and were forced to select a web shop and purchase without extensive contemplation.

Urgency was also connected with the available shipping methods, as they might have presented unexpected challenges if the order could not be delivered by the desired date. Some web shops intended to lower the threshold for purchasing by offering free shipping after a specific shopping cart value was reached. As opposed to the financial risk in free shipping proposed by Huang and Cheng (2015, 194), some Finnish consumers were used to effortlessly add unplanned impulse purchases in their shopping cart to obtain delivery free of charge. Cases (2002, 375–392) also found that the free return and exchange of

products provided consumers with further reassurance to purchase which was widely supported among the selected Finns of this research.

5.2 What is the role of nonmonetary incentives in the purchase decisions of Finnish consumers planning to shop online?

The second sub-question was concerned with the role and effects of nonmonetary incentives in the purchase process. By discovering influential incentives in e-commerce, the purchase behavior and decisions of Finnish consumers could be better understood against financial aspects like discount campaigns, the selling price of products and other expenses resulting from the purchase. Whereas this section focuses on some of the key nonmonetary incentives as perceived by Finnish consumers of the selected age group, the following section evaluates their relative importance in the decision-making process in different emotional and situational circumstances. The discovered nonmonetary incentives are also tied to suitable theoretical concepts selected for this thesis, including perceived benefits and risks, herd behavior, and impulse purchasing. Moreover, the incentives and purchase events are viewed from the perspective of the two types of purchase behavior, utilitarian and hedonic, introduced in the literature review.

The studied Finnish consumers possessed characteristics of both types of purchase behavior. According to Batra and Ahtola (1991), hedonic consumers were prone to act upon sensory attributes finding pleasure and stress relief during shopping. Utilitarian consumers, on the other hand, were strictly concentrated on the effortless and efficient purchase process which resulted in minimal unexpected scenarios and maximized the task-related outcome (Batra & Ahtola 1991; Babin et al. 1994). Some of the discovered incentives were acknowledged by both types of consumers.

Utilitarian Finns in this research preferred to avoid any human interaction when shopping, and rather informed themselves about products through detailed product descriptions and other content of the web shop; this lack of disturbance in shopping was described through comfort by Forsythe et al. (2006) and Wani and Malik (2013). In the event of insufficient information, they expected to be instantly served by experienced staff over phone or chat support to minimize inconvenience and uncertainty from exhausting time and energy as explained by To et al. (2007) and Chiu et al. (2014). In addition to the clarity and extent of information, utilitarian consumers were inclined to evaluate the reliability of content in the web shop, including product descriptions, reviews, terms, and e-tailers' values. Chen (2008), Nepomuceno et al. (2014) and Xu (2017) found that other consumers' reviews and public discussion on products alleviated uncertainty in purchase decisions which explained why utilitarian Finns were used to searching for testimonials and ratings in and outside of the web shop. In accordance with Chen (2008) and Sun (2013), the studied Finnish consumers believed in the wisdom of

crowd and considered third-party reviews as proof of reality, similarly to the concept of informational influence presented by Deutsch and Gerard (1955, 629). They were also aware of web shops that exploited paid reviews in their partner network and found greenwashing to be widely misused in marketing. Consistent with Li (2007) and Riquelme and Romn (2014), such lack of transparency was sometimes enough to discourage Finnish consumers to purchase a product or shop with the e-tailer altogether.

On the contrary, hedonic Finns of the purposive selection valued visual and interactive content that inspired them and enabled them to imagine themselves using the product in the pictured surroundings, as explained by Hirschman and Holbrook (1982b) and Anttila (2016, 74–75, 82). This allowed Finnish consumers to reach a superman-like feeling which could be further strengthened with elements of virtual reality like three-dimensional models for fitting clothes. Fiore et al. (2005) as well as Poushneh and Vasquez-Parraga (2017) confirmed that augmented reality amplified the holistic shopping experience; some Finns considered these improvements even essential for the shopping of clothes to select a correct size, while others saw potential in conveying the message of a brand and their personal connection to it. Since both types of consumers were accustomed to shopping in brick-and-mortar stores before the proliferation of web shops, a virtual show room could lower the physical risk from being unable to inspect the product before purchasing (Forsythe et al. 2006; Hong 2015).

The studied Finns were also prepared to share more information about themselves to enhance the shopping experience, for example, by entering body measurements, color preferences or prior possessions of products into their customer details. In return, they expected to see improvements in product suggestions and targeted marketing without restricting their sense of control in the shopping process and the decisions made. They even considered companies to already collect a significant amount of personal data but had yet to detect remarkable advancements in elements of web shop compatibility as presented by Rogers in the research of Forsythe et al. (2006) and Wani and Malik (2013). When successfully implemented, hedonic consumers would be provided with additional stimuli increasing the conversions and total time spent on shopping, while utilitarian consumers could further optimize their purchase process and encounter otherwise unexpected products that address future purchase tasks and even lead to impulsive behavior (Babin et al. 1994). By applying findings of prior research regarding website quality (Dawson & Kim 2010; Turkyilmaz et al. 2015; Akram et al. 2018; Destari et al. 2020), e-tailers could enhance the recreational shopping experience through elements of entertainment, gamification and pleasure for hedonic consumers, or invest in improving the load time, responsiveness and transportability of the web shop for efficiency driven utilitarian shoppers. This would ensure that the prioritized types of consumers feel appropriately served.

Furthermore, Finns in this research also expected returning customers to be acknowledged and not underestimated against new customers; web shops were advised to create added value as a form of gratitude and not merely lure new consumers to shop through untruthful or inequitable limited campaigns. The lack of benevolence and integrity was also connected to payment service providers, among which some Finnish consumers had become accustomed to use a certain payment method, or sometimes even refused to use their services because of bad experience. While some facilitated payment processing to a simple swipe, others caused inconvenience, especially, if consumers were forced to unwillingly share personal information, as confirmed by Zhou et al. (2011) and Sachdeva (2016). Utilitarian Finns also saw potential in recurring payments for regularly consumed items that could be delivered, for example, at monthly intervals as per the customer's request. Similar preferences were also connected to shipping methods, in which consumers emphasized on the expediency and point of delivery according to their respective situation.

Further personalization of the purchase process could also be achieved by facilitating and customizing the search and evaluation of products in the web shop. Consumers with utilitarian characteristics could be approached with more personal targeted marketing, for example, through emails and other notifications that genuinely presented information relevant to the consumer, consistent with the findings of Anttila (2016, 58–65, 67–72). Similarly, some Finns also appreciated the possibility to replace giveaways with environmental acts, like planting trees. This allowed consumers to feel more responsible by supporting a benevolent mission of the e-tailer on their behalf.

Finnish consumers in this research were also convinced by influencers in social media if the product was endorsed by a familiar person. Moreover, web shops could partake in convincing consumers to shop by suggesting and guiding them in the purchase process with the assistance of personal advisors who approach the needs and wishes of potential customers individually. By ensuring that the product selection was extensive and available, consumers were able to find the products needed and purchase immediately which was often critical for utilitarian consumers, especially (Babin et al. 1994). If the product was not available in other stores, physical or online, consumers were bound to shop with the specific e-tailer. The uniqueness of products could also be achieved by offering product customization and upgrades. Utilitarian Finns also found warranties or other forms of buyer's protection influential, which were mostly nonexistent with second-hand items. However, these items often presented a one-time opportunity to obtain unique products, even without the occasional feeling of over consumption. On the other hand, hedonic consumers were encouraged to partially purchase products that enabled them to follow a certain trend or otherwise retain a desired social status (Arnold & Reynolds 2003;

Chiu et al. 2014), which potentially aligned with the actions of an influential herd (Raafat et al. 2009, 423).

5.3 How do Finnish consumers give value to nonmonetary incentives? Why?

The third and last sub-question studied the situations in which Finns valued nonmonetary incentives in the purchase process. The aim was to understand what triggered these events and which emotions consumers experienced at the time. By identifying elements with which Finnish consumers encountered feelings of uncertainty or, alternatively, an elevated motivation to purchase, e-tailers could optimize the purchase process for the intended target audience.

Finns in this research were sensitive and demanding about elements and stages of the purchase process that caused unexpected time risk, and therefore more inconvenience during and after shopping. Depending on the state of urgency in purchasing and receiving the product, consumers valued the speed and responsiveness (Forsythe et al. 2006; Wani & Malik 2013) as well as the informativeness (Anttila 2016, 60–64) of web shops, or the overall waiting time from placing the order to finding it at their doorstep. While some time constraints were set by external factors like upcoming event dates which could not be altered, others were somewhat self-imposed, or result from the effects of an influential herd.

Herds caused group pressure that was often associated with trends and a presumed social status that would follow when purchasing latest products on the market. This kind of normative social influence, as described by Deutsch and Gerard (1955, 629–636), evoked a supposed need for a product which some Finnish consumers believed to improve the quality of life. These herd externalities (Banerjee 1992, 799) were particularly influential when triggered by referrals and suggestions from friends and influencers on social media. Some of the studied Finns were also inclined to hesitate and lengthen the purchase process when shopping alone without externalities that convinced them of the purposefulness of the purchase.

Personal acquaintances were also increasingly important when alleviating uncertainty on trustworthiness of products and web shops, as Finns were hesitant to place orders with unknown e-tailers that were not vouched for. Even though these consumers were primarily afraid of monetary loss on such occasions, they preferred to avoid unexpected inconvenience and frustration that might result from unsuccessful purchases as well. Therefore, numerous types of reassurance on the trustworthiness and benevolence of the e-tailer received significant attention as discussed by O'Donnell (2002), Li (2007) and Riquelme and Romn (2014). For example, the studied Finnish consumers considered the transparent and gratuitous return and exchange of products as an additional guarantee for the high quality and purposefulness of products. Some consumers even emphasized that

a relatively large difference in price could be compensated for with a fair return policy and a warranty that protected the consumer in the event of unbearable disappointment and waste of resources, ranging from monetary expenses and time to expended physical and mental effort, originally introduced by Stern (1962). In essence, Finns in this research valued any type of believable guarantee that protected their purchase in the event of fraud.

Since consumers were unable to experience and evaluate physical attributes of shopping in e-commerce, the eventual uncertainty associated with them required certain web shop features to imitate the tangibility of the purchase process in traditional brick-and-mortar stores. For example, features assisting in the inspection of products and fitting of clothes in virtual show rooms alleviated suspension, lowered the risk of purchasing unwanted products, and created a more interactive experience. Some Finnish consumers were also prepared to share more information about themselves if it allowed them to better succeed in their purchases. On the other hand, a personalized shopping experience also increased website functionality and streamlined the purchase process. In accordance with Batra and Ahtola (1991) and Babin (1994), utilitarian Finns were easily frustrated by unexpected surprises and the lack of control in the purchase process, not to mention the unsuccessful outcome of purchases made.

Purchase success and trust were both consistently associated with the nonmonetary incentives that Finnish consumers considered influential in shopping online. On the one hand, they insisted on a responsive and logical website structure that retained the sense of control in the hands of utilitarian consumers and ensured an uninterrupted and transferable flow experience for hedonic shoppers. On the other hand, Finns expected to be instantly served by the extensive product information and customer service. They also appreciated signs of e-tailer benevolence, including the undivided and helpful service attitude of web shop personnel, and non-purchase-related acts for sustainable business. Finally, by topping the communication and company image with a hint of humor, consumers felt entertained and uniquely approached by fellow humans, instead of faceless companies.

5.4 Theoretical contribution

The theoretical background of this thesis comprised consumer perceptions of e-commerce, perspectives of utilitarian and hedonic purchase behavior, and the role of herd behavior and impulse purchasing in shopping. The consumers' perceptions of e-commerce were found to carry similar meaning with each other and were therefore assigned to one of seven factors created in the data display of the research process. Six of these factors were associated with nonmonetary incentives: convenience, compatibility, web shop structure, trust, information, and products. Moreover, the theoretical concepts bore relation to the collected nonmonetary incentives; all main categories formed from

these incentives were also highly comparable with at least one of the theoretical factors that had been consolidated from the separate theoretical concepts. The following table depicts the relations between the theoretical concepts and the research data.

Table 2. Synthesis of theoretical factors and main categories of nonmonetary incentives in e-commerce

Theoretical factors and respective concepts					
Convenience	Compatibility	Web shop structure	Trust	Information	Products
Accessibility	Personalization*	(Website) design*	Integrity and reputation	Language	Availability
Comfort	Brand loyalty	Transportability	Ratings and reviews	Quality and presentation	Quality and scope
Time	Co-creation	Gamification	Social	Product information*	Buyer's protection
Physical		Recreation	Benevolence		Products and services*
Payment methods*			Privacy and security		
Shipping and delivery*			Uncertainty		
			Company profile*		
			Customer service*		
Main categories from research data (*)					

Firstly, convenience was connected to web shop accessibility (Forsythe et al. 2006) which concerned all devices used for browsing web shops and applications over the internet whenever comfortable for the consumer. The concept of physical aspects explained by Forsythe et al. (2006) and Hong (2015), referred to the location of e-tailers' premises for the shipping and customer inspection of goods; these were considered an element of convenience, for example, when task-driven utilitarian consumers required immediate reassurance of products and order fulfillment to save time for other activities (Batra & Ahtola 1991; Babin et al. 1994). Along with shipping methods, the available payment services were also acknowledged in the research data describing elements of convenience enabling consumers to shop with an e-tailer and potentially simplify the purchase process to a single swipe. Shipping preferences varied between home delivery

to pick-up locations where the importance of self-service systems was increasingly popular.

Secondly, consumers were concerned with the trustworthiness of web shops and the overall purchase process. Feelings of uncertainty and trust were consolidated into a separate factor consisting of the integrity and benevolence, as well as privacy and security issues addressed by Li (2007) and Riquelme and Romn (2014). In accordance with the research data, these aspects of trust were chiefly determined by the transparency and quality of e-tailers' customer service attitude, strategy, and values. Others emphasized on the reputation and social elements as perceived by prior customers and other individuals that influenced the image of a web shop in other people's minds through the reduced use of personal information, or herd externalities (Banerjee 1992, 799). These testimonials were less influential with domestic or otherwise familiar web shops that provided service in the mother tongue or English. However, consumers were prepared to visit other websites to alleviate uncertainty through ratings and reviews based on the experiences of influencers, herds, and individual shoppers (Chen 2008; Nepomuceno et al. 2014; Xu et al. 2017).

These experiences were not only associated with the operations of the web shop but the quality and purposefulness of products, which represented the third theoretical factor. It was also one of the theoretical factors that was equally described in the main categories formed. This factor contained the availability (Kim 2004) and scope of the product selection (Simonson 1999; Forsythe et al. 2006; Chiu et al. 2014). Product selection was partially determined by the customization and uniqueness of products which sometimes involved second-hand items obtained on the principles of circular economy. Furthermore, buyer's protection including warranties, return and exchange rights, and other forms of guarantees, legal and commercial, was considered an essential part of product quality and trust due to its influence on consumers' purchase behavior. Especially those with utilitarian characteristics were inclined to minimize the time and energy spent in the purchase process and maximize the purchase outcome (Batra & Ahtola 1991; Babin et al. 1994).

Similarly, the fourth factor information was highly comparable between the theoretical background and the main category formed from the collected research data. It encompassed the quality, extent and presentation of product descriptions, terms and other content on the web shop (Forsythe et al. 2006; Anttila 2016, 62–64). Utilitarian consumers appreciated detailed and easily accessible content allowing them to inform themselves and not leave the web shop in search of information (VanScoyoc 2000; To et al. 2007; Chiu et al. 2014). Hedonic consumers acted rather impulsively on emotionally appealing visual elements, like product endorsements by influencers, elements of virtual reality and special campaigns, comparable with the findings of Babin et al. (1994) and

Wolfenbarger and Gilly (2001). Still, consumers were also increasingly doubtful about the trustworthiness and transparency of content presented on web shops, especially with unknown or remotely situated stores, due to bad experiences where e-tailers were found to practice questionable means in business.

Fifthly, web shop structure pertained to the structure, design, and transportability of the web shop, as well as to elements of gamification and recreation. Consumers expected the website to be responsive and logical with short load times to avoid interruptions while shopping as confirmed by Anttila (2016, 68–70). A purposeful structure also involved features like cross-selling, wish list, quick checkout, as well as efficient search and filter tools which were easily customizable to the consumers' needs. Design was described as the layout and visuality of the web shop which had a great appeal for hedonic consumers, in particular (Hirschman & Holbrook 1982b; Anttila 2016, 74–75, 82). In accordance with Babin et al. (1994) and Wolfenbarger and Gilly (2001), these consumers were also fond of different types of marketing material which often led to impulse purchases, whereas utilitarian consumers disliked excessive pop-up windows and other unexpected and pushy marketing efforts, consistent with Anttila (2016, 58–65, 67–72). Transportability referred to the seamless continuation of the shopping experience when consumers were either switching devices in the process or temporarily stopped browsing in the web shop. Finally, elements of gamification and recreation, primarily valued by hedonic consumers, were referred to through augmented virtual reality where consumers were assisted and inspired by the content on the web shop (Fiore et al. 2005; Poushneh & Vasquez-Parraga 2017). Examples included virtual show rooms for the fitting of clothes with three-dimensional models and reflecting the image of an influential brand or trend.

The effects of brand image on customer loyalty were discussed under the sixth and last factor associated with nonmonetary incentives, namely compatibility. This involved elements of customization and personalization in the purchase process with respect to the individual characteristics of consumers. In accordance with Forsythe et al. (2006), compatibility was considered as the degree to which a website corresponded to the lifestyle and purchase behavior of the consumer. This type of personalization comprised the web shop's capability to recognize and customize the shopping experience for the consumer, based on the previous orders, customer loyalty program or personal information shared with the web shop. Consumers were even prepared to invest their free time in assisting the e-tailer to develop their business in the form of co-creation. Although they were suspicious of the successful personalization of the purchase process, consumers were keen on receiving personalized notifications from the web shop, instead of generic messages intended for the wider audience. However, the research findings also indicated that consumers were hesitant to share sensitive information, especially, if they were approached with unexpected content exploiting unauthorized personal information.

Overall, personalization received significant attention across all theoretical factors and main categories, with the rapid proliferation of web shops, advances in technology and the increasing competition among e-tailers of the same market. Consumers therefore had multiple reference points for shopping experiences online which could be easily compared and replaced with the click of a mouse or tap on the smartphone screen. Even though hedonic consumers were often captivated by the temporary flow experience described by Hoffman and Novak (1996) and Csikszentmihalyi (2000), consumers were easily inclined to shop with e-tailers that offered them the best deal monetarily, primarily associated with utilitarian consumers (Chiu et al. 2014; Bilgihan et al. 2016).

5.5 Managerial implications

The findings of this thesis provide extensive information for business planning due to the practical aim to explore influential nonmonetary incentives in e-commerce. Each of the eight main categories associated with these incentives address different aspects of web shops: customer service, company profile, shipping and delivery, products and services, product information, website design, payment methods, and personalization. By implementing influential incentives in the web shop strategy, e-tailers can attract more customers and compensate for the fierce price competition in the market. The strategic decisions can also be adjusted to match the characteristics of utilitarian or hedonic consumers, depending on the selected target audience. Similarly, e-tailers can evaluate the potential of impulse purchases and herd behavior with respect to their product selection and business operations.

In Finland, consumers prefer to shop with e-tailers that provide a smooth and manageable shopping environment which enables users to inform themselves about the products and services with ease. The high quality and good presentation of all information reduces feelings of uncertainty and develops trust, especially, with unknown web shops. If a web shop fails to provide adequate information, consumers are inclined to leave the website in search of satisfactory content. These occasions call for attentive customer service that is immediately available and prepared to assist potential customers with their unique purchase goals, instead of limiting service to excessively simplified chatbots and generic answers.

E-tailers can also accumulate trust through actions of benevolence and transparency that align with the company values and overall business strategy. Responsible e-tailers earn public acclaim which contributes to the good reputation, reducing feelings of uncertainty with purchase decisions. The positive image of web shops also increases repeated business as consumers decide not to look for other alternatives when prompted to shop. In addition, the studied Finns were found to appreciate aspects of entertainment and pleasure in shopping which even allows them to distinguish and remember web shops

for their amusing content. On the other hand, the role of sustainability in business is increasingly important, although it is still somewhat overlooked against other incentives.

When applicable, consumers associate sustainability with the shipping of products from remote places, especially when they are individually packaged and delivered. Interestingly, Finnish consumers with 25–44 years of age are still inclined to opt for expedited delivery when available to satisfy the desire of having the product, based on this research. Since they are used to obtaining a product immediately in brick-and-mortar stores, the waiting time causes inconvenience and reconsideration before it is delivered. Therefore, Finns sometimes prefer to visit a physical store which also allows them to inspect products before purchasing. Stores also enable face-to-face interaction with the staff increasing the social aspect of shopping, reducing uncertainty of never receiving the product. However, some consumers are used to interacting with their favorite web shops on social media mitigating the lack of physicality and uncertainty thereof.

The effects of physicality are ever more influential with unknown web shops and complicated products that require extensive information before purchasing. Even though consumers pay considerable attention to the width and uniqueness of the product selection, the complexity of the product and the inadequacy of buyer's protection can lead to an interrupted purchase process. On some occasions, Finns of the selected age group emphasize on the importance of brand and ease of use, whereas unbranded or otherwise unfamiliar products are more likely to fail in serving their purpose. However, the wider selection of web shops guarantees a constant output of new items which Finnish consumers in this research often assume to surpass previous iterations in terms of quality and performance. In addition, second-hand items are often perceived as an opportunity to obtain a unique product for a limited time.

Regardless of the quality and uniqueness of products, web shops should invest in making detailed and truthful product descriptions that present key features and use cases of the product independently at the customers' request. Consumers also appreciate adequate product photos, size charts and other additional content for the comprehensive presentation of the product. This information can be complemented with compatible and suggested products through cross-selling, especially, if the product requires other accessories to function properly. In case the e-tailer implements product reviews and endorsement videos on the product page, these should not contradict with the information given by the web shop. Moreover, e-tailers should strive for objectivity and refrain from excessively positive content which may raise concern about the trustworthiness of the content and the benevolence of the web shop.

On the other hand, Finnish consumers of the selected age range have little tolerance for interruptions when surfing on the internet and expect the web shop structure and design to adapt to the device used for browsing. Some consumers tend to enter web shops

through product endorsements on social media while others search for suitable alternatives on search engines. E-tailers should therefore invest in search engine optimization and consider paid search engine marketing and cooperation with potential influencers of social media. In fact, some Finns may even purchase directly on social media platforms eliminating the browsing in the separate web shop of the e-tailer. Still, e-tailers should ensure that the eventual transition from external links lead the consumer to an expected logical landing page without inexplicable or unnecessary content, like disturbing pop-up windows or unsolicited product suggestions. Finns expect to assume a sense of control, so web shops are not to restrict the collection of products displayed on product lists without the consumers approval. At best, consumers can enjoy the purchase experience thanks to the entertaining and inspirational content which may lead to impulse purchases and repeated business after successful order fulfillment of the e-tailer.

By allowing consumers to select their preferred shipping and payment methods, e-tailers can guarantee a customized and effective purchase process which is highly valued by Finns, at least with 25–44 years of age. Moreover, an increasingly personalized shopping experience is paramount to stand out from the heap of web shops that fail to cater to potential customers and instead force impersonalized content and excessive marketing campaigns on the users' screen. On the other hand, consumers are willing to share more personal information about themselves to contribute to an optimized shopping experience, albeit access to certain type of information is often considered as a privacy breach and therefore unacceptable. By allowing consumers to give feedback on their shopping experience, e-tailers can develop the design of the web shop and the purchase process overall through co-creation. A personalized shopping experience can include automatically recurring purchases at set intervals, web shop customizability according to the prior possessions of related items, or the efficient sorting and filtering of products in accordance with the customers' wishes. Whenever possible, the web shop should refrain from generic content and impersonalized notifications reminding consumers of their relatively insignificant role in the customer base.

Regardless of their appreciation of the personalized content and entertainment value of web shops, Finnish consumers in this research prioritize characteristics of the utilitarian purchase behavior due to their search-oriented shopping that aims to minimize the time spent online and maximize the outcome of the purchase. Finns are also rather pessimistic about the success rate of purchases made online as they associate various risks with the different incentives in e-commerce. As a result, e-tailers are advised to allocate sufficient time to customer listening and understanding to ensure successful implementation of different aspects of the business strategy. After all, consumers are empowered with the widest set of tools to express their gratitude or disappointment, in and outside of the World Wide Web.

5.6 Limitations and suggestions for future research

Since the research was conducted with a single pilot interviewee and six participants of the focus group interview from a specific age group, and the aim of the research was to explore the purchase behavior of Finnish consumers in general, the selection was limited to some extent. Due to the exploratory nature of the research and the indisputable challenge of expanding the selection exponentially, the size of the selection was considered adequate for its intended purpose. This research therefore serves as a preliminary exploration of nonmonetary incentives in B2C e-commerce in Finland and suggests further research to be conducted with a larger sampling in the given context. In addition to increasing the number of interviews and verifying findings of this research, future studies could concentrate on specific themes or incentives. This would allow more in-depth information to be gathered on the effects and underlying reasons of prominent nonmonetary incentives of e-commerce in the 2020s.

To collect scientifically relevant data the thematic guidelines and questions selected for the interview agenda should be aligned with the objectives of the research. Unsuitable or ambiguous questions may generate irrelevant information or even lead the discussion astray and cause essential findings to remain undiscovered (Ghauri & Grønhaug 2002, 106–110; Berg 2004, 134–140). During the interview process some questions clearly resulted in less extensive and informative answers, when discussing the role and influence of nonmonetary incentives on purchase decisions, or when open-ended questions were raised regarding the personalization or co-creation of web shop strategy, for example.

Traditional face-to-face interviews are also more personal than quantitative surveys which may oftentimes be answered anonymously or with the disclosure of little personal information. Data collection methods where the researcher and interviewees meet and are present at the time of data collection may cause additional tension for both parties. The setting of the interview may therefore fail to create a relaxed and socially comfortable environment where the interviewees are most productive and honest on the topics discussed. (Ghauri & Grønhaug 2002, 106–107.) Since the interviewees of this research were personal contacts of the researcher and the research required little personal information, the quality and extent of the data were considered sufficient. In addition, sensitive questions were not necessary or could be avoided altogether. The interviewees were also allowed to leave sensitive or otherwise uncomfortable questions unanswered without compromising the data collection. (Ghauri & Grønhaug 2002, 106–107.)

The findings may largely apply to the selected research context only – i.e., Finnish consumers with 25–44 years of age who have prior experience with shopping online and are even active on social media. However, similar findings may still be encountered in other contexts, or when evaluating influential incentives on a global level. Admittedly, the analysis of a large qualitative data mass requires certain alertness and expertise from

the researcher (Berg 2004, 134–140), but may still be affected by the subjective interpretation of the researcher, regardless of such competence (Ghauri & Grønhaug 2002, 102–103).

Future research could also focus on different roles of web shops as consumers were found to stray off to other web shops, for example, to inform themselves better about products before purchasing. This suggests that consumers may have various purposes for visiting web shops; some may serve consumers as a source of information for the desired products whereas others may receive orders for the respective items. The behavior of consumers could be studied to assess the role of mobile devices in shopping, since reports like that of Paytrail displayed significant activity in mobile payments (E-commerce trends 2020). Moreover, with the exponential increase of accessible web shops and available products, the value add of brands between similar or highly identical products poses a question for whether online shoppers prioritize certainty in the functionality of products compared with past shopping events. Here, the role of online marketplaces, multinational web shops and governments could be studied for potential loopholes in the taxation and customs declaration exploited by said parties and the end consumers.

Finally, with the global outbreak of the COVID-19 pandemic, e-commerce was rapidly affected by large-scale challenges, for example, in the production and logistics of goods around the world. This presented a unique venue for web shops to survive in with little certainty of the pandemic's effects on business. While some web shops may even surpass the expected growth in sales in comparison with average circumstances, others are surely prone to struggle and even go bankrupt. On the other hand, such exceptional times present interesting alternative circumstances for the importance of nonmonetary incentives. Future studies could therefore compare the role and effects of nonmonetary incentives with times and business cycles, during which the fundamental elements of business are intact.

6 SUMMARY

The popularity of B2C e-commerce among Finns has continuously increased as consumers have gained access to a vast network of web shops globally and shopping online has merely required a suitable handheld device and internet access. The proliferation of web shops has resulted in a more competitive market which has also attracted the attention of multinational online marketplaces. As a result, smaller e-tailers have been forced to counteract the unrivaled pricing and business model of large multinational corporations to regain a lucrative and sustainable foothold on the market.

The aim of this thesis was to investigate potential countermeasures by exploring nonmonetary incentives that influence the purchase decisions of Finnish consumers shopping online. Sub-questions were concerned with the motivation of selecting a web shop for purchasing, the role of nonmonetary incentives in purchase decisions and how Finns give value to them and why. Firstly, a theoretical framework was established based on findings in prior research regarding consumer perceptions in online shopping, the utilitarian and hedonic purchase behavior, herd behavior and impulse purchasing.

Secondly, a qualitative research was conducted through a semi-structured pilot interview followed by a focus group interview with six participants of the most active Finnish shoppers with 25–44 years of age. The themes and questions of the interview were largely based on findings of the theoretical framework, though the aim was to collect all kinds of nonmonetary incentives regardless of their relation to prior literature. Thirdly, the reduced research data were processed through content analysis in which the discovered incentives were subsumed under nine main categories, eight of which were associated with nonmonetary aspects. Finally, these categories and incentives were matched with concepts of the theoretical framework which had been factored in six applicable groups that shared key aspects of the purchase process.

The results presented a multifold of nonmonetary incentives that emphasized the importance of swift and extensive customer service, the scope and quality of product selection and information, along with a streamlined purchase process and a personalized shopping experience. In addition, ambiguous or suspicious communication of the web shop operations caused uncertainty and mistrust which could deter potential customers. A cumbersome or incomprehensible web shop structure could result in a similar outcome.

The findings of this research provide a notable foundation for future research which may focus on specific incentives or categories to describe them in greater detail, or to verify their relative influence on purchase decisions in Finland or other contexts. A larger sampling may also generate further information on the prevalence of utilitarian and hedonic characteristics among respondents, whereas this research primarily exhibited those connected to the utilitarian purchase behavior.

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APPENDIX

Pre-interview questionnaire: Questions (translated from Finnish)

*Questions added after the pilot interview

Age:

- Open answer

Sex:

- Male
- Female
- I would rather not say.

Education*:

- Open answer

I have purchased something from a web shop within the last three months.:

- Yes/No

I shop online (select most accurate):

- Every day
- Every week
- Every month
- Every quarter
- Every year
- Less frequently

The proportion of online purchases I make with my mobile phone*:

- Under 20%
- 20–40%
- 40–60% (about half)
- 60–80%
- Over 80%

The proportion of purchases from abroad compared to all purchases made:

- Under 20%
- 20–40%
- 40–60% (about half)
- 60–80%
- Over 80%

Name three countries, from which you order most often.:

- Open answer

The proportion of online purchases compared to all shopping channels combined*:

- Under 20%
- 20–40%
- 40–60% (about half)
- 60–80%
- Over 80%

I actively follow a web shop on social media (Facebook, Instagram, Youtube).:

- Yes
- No

I actively follow an influencer or community on social media (Facebook, Instagram, Youtube).:

- Yes
- No

I make impulse purchases.*:

- Yes
- No

Give three reasons for why you shop online.:

- Open answer

Give three reasons for why you do not shop online.:

- Open answer

I have a microphone and allow my voice to be recorded.*:

- Yes
- No

I have a webcam and allow my video to be recorded.*:

- Yes
- No