

FACTORS AFFECTING ONLINE BUYING BEHAVIOR ON G-MARKET SITE AMONG INTERNATIONAL STUDENTS IN BUSAN: A QUALITATIVE RESEARCH

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ABSTRACT

Among the international students in South Korea, shopping activity is one of their favorites outside study. There are so many promotion periods which attract consumer purchasing intention, such as Black Friday, pepero day, year-end sale, etc. The purpose of this study was to explore the factors influencing the online buying behavior of the college students. Qualitative analysis was used for analyzing the data. Beside of offline purchase, online purchasing also have many interests among international students, especially on G-Market site, one of the biggest e-commerce sites in Korea. Based on their experiences, this study reveals that online shopping is cheaper than offline shopping. Moreover, it is also more efficiently for them because they have many class to attend.

Keywords: online shopping, consumer behavior, qualitative analysis, South Korea.

1. INTRODUCTION

Online shopping in Korea was highly increased and getting more famous among the local residents (Kim, Chung & Lee, 2011; Park & Kim, 2003; Kim, Yong Park, & Jin, 2008). Not only local residents, but also foreigner who live in Korea both students and workers were interest to shop online rather than offline shopping (Fan, Yul Lee & In Kim, 2013). One of theirs reason is about the language, when theirs shopping through offline store they had difficult to find things that they want. On other side, if buying through online store such as G-market, they feel much convenience because G-Market provide English language to make easier for foreigners (Park, Kim, Funches & Foxx, 2012).

In this study, it will examine what factors affect online shopping specially in G-market, the factors include low price, promotion, payment method, convenience, and variety products will impact on purchase on G-Market site.

The reason why the author using G-Market for justification of sample selection is based on survey through SNS such as Line and Kakao Talk for asking about one name the most famous e-commerce in Korea site, 12 students from 15 students mentioned G-market, 2 answered coupang, the rest answered TiMon. Based on the survey above the author decide to use G-Market as the main object of interview about e-commerce.

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2. A BRIEF OVERVIEW OF E-COMMERCE IN SOUTH KOREA

South Korean has many trustable E-commerce websites such as G-Market, 11street, Coupang, etc (Lee, Tan & Trimi, 2005). One of the biggest E-Commerce sites is G-Market. G-Market is a Korean online auction and shopping mall website, where people not only from Korean but also all around the world buy and sell goods and services (Choi, Seol, Lee, Cho & Park, 2008). Founded in 1999 by Young Bae Ku, in 2006 Yahoo! acquired a 10 percent of its share (Lemon, 2009). In June 2009, eBay also acquired G-Market for \$1.2 billion. Now, it is also known as eBay Korea Co., Ltd.

About the security, the most risk for online shopping is about the security, especially if the consumer input the debit/card number into website (Miyazaki & Fernandez, 2001; Park & Kim, 2003; Thananuraksakul, 2007; Javadi & Azmoon, 2011). Therefore, before inputting any particular private information, the consumers should looking for online reviews. While G-Market has positive review on payment then it can be indicate as trustworthiness e-commerce website. Describing about the refund money or product, in G-Market, mostly seller allow to refund the money, or exchange product if there is a problem once the product arrive to customer. About the speed of delivery using G-Market, every time the consumers order the product in the column of product description, it explained how long it will takes the delivery. Inside Korea, it usually takes 2-3 days, while outside the country it will need more than 3 days. From years to years, there is a slightly increased amount of the users of online shopping. Indeed the users were also coming from G-Market users (Table 1).

Table 1: The Sales of the Major 5 Open Market Platforms

Major open market platforms	2010	2011	2012	2013	2014
Auction, Gmarket, 11st, Interpark, N-Shopping	1,220	1,330	1,490	1,639	1,840

*unit: hundred million in KRW

Based on table 2 number of unique visitors in 2016 counted by Nielsen Korean Click, Gmarket has ranked in 2nd place for mobile or mobile+PC it indicates how the users media using e-commerce.

Table 2: Number of Unique Visitors in 2016 counted by Nielsen Korean Click

No	[1]	[2]	[3]	[4]
Provider	11st	Gmarket	Auction	Coupang
Mobile	12,736,660	12,486,227	9,637,695	8,671,626
Mobile+PC	19,961,068	19,758,134	16,381,939	12,992,413

Based on table 3, G-Market almost becomes the most reputed brand among other e-commerce sites.

Table 3: Brand Reputation Index

No	Website	Participation	Communication	Social	Brand Reputation
[1]	11st	1,673,520	1,706,166	2,446,472	7,129,187
[2]	Gmarket	872,129	812,691	3,515,788	5,854,044
[3]	TiMon	1,512,395	1,108,206	1,562,882	4,781,101
[4]	Coupang	2,197,374	1,211,067	323,530	4,684,342

Source: Korean Research Center on Corporation Reputation (Jan-Feb 2017)

3. METHOD

This research was used a qualitative research to get an idea of the factors which influence the online buying behavior among international students. The in-depth interviews were conducted one-to-one basis with each student. A total 5 international students in Busan who consist of undergraduate and graduate students. To effectively manage in-depth interviews, the target students consist those who like or who tried to use online shopping especially through G-Market website, both on website (gmarket.co.kr) or G-Market application from their smartphone. The length interview took about 10-15 minutes for each respondent, and it was manually noted in notes.

4. RESULT

4.1. *Demographics*

In this study, a total 5 students from some universities around Busan had participated, out of which 60% are male and 40% are female. All students are attending their undergraduate or graduate program in university around Busan. For the income question, 80% of them are usually spent around W500.000-W750.000 each month, and the rest was spent W250.000-W500.000

4.2. *Internet Usage Purpose*

For the daily internet usage all of them stated for social network sites such as instagram, facebook, and chat application like Kakao Talk.

4.3. *Process of Buying Goods from Online Site*

How they approached for buying online 2 of them answered they asking theirs friends experience. A student answered from review product, and the rest answered searching from other sources in internet.

4.4. *Frequency of Online Shopping through G-Market Site*

In case for the frequency each month, 3 students usually bought from online 1-2 times during a month and the rest preferred 3-4 times each month.

4.5. Factors Influencing Online Shopping through G-market

These below are quotes from the respondents of depth interviews for factors that affect online shopping for G-Market. First is low price. Price are the most sensitive discussion for deciding whether buying on a product in online shopping.

“The price is cheaper than retail shop” – a Korea-American man, 27 years old.

“G-Market has the best package among other sites in Korea” – Indonesia girl, 25 years old.

Second is the promotion. E-commerce usually attracted customer with of promotions and among the rivals G-Market has also good deal for promotions strategy.

“They have the best deals among the rivals” – Pakistan man, 23 years old.

“Promotional events almost every week and so variety” – Indonesia girl, 25 years old.

“I remembered, when it comes papero day almost they products were in sales, and the price was very cheap” – Chinese man 20 year old.

The results also reveal that payment method is another important factor influencing the consumer behavior to buy in online shops. This issue is also important, even G-Market is trustable.

“Its very quick and easy they accept mobile banking from my smartphone” – Chinese man, 20 years old.

Another aspect that must be a consideration is convenience. G-Market provides convenience on the website and the speed of shipment after payment done the customer receive the goods.

“Even they provide English site for me who cant understand Korean well” – Indonesian girl, 19 years old.

“Through theirs app, its more faster and easier to use” – Korean-American man, 27 years old.

“They sent the products as they promised on their website, have not a problem until now” – Indonesia man, 19 years old.

Finally, variety of products also becomes another determinant for online purchasing. This factor explains the capability of G-Market to provide the customer with many product variance that customer can choose.

“In G-Market, you can find anything from smartphone, laptops or house hold its like having department store in my laptop” – Pakistan man, 23 years old

“With G-Market I can buy product from America even though not all product” – Korean-American man, 27 years old.

5. CONCLUSION

In this study, an attempt was made to explore the factors buying online through G-Market, one of the biggest E-Commerce in South Korea among the international students in Busan. The factors are low price, promotions, payment method, convenience, and variety of products. All respondent agree G-market has a good price comparing with the retail shop, but somehow not the best price among the rivals.

For promotions factors, mostly respondent were satisfied what G-Market offered until now specially for the Pepero day. Paying method factors was very convenience for who have mobile banking on their smartphone, because they can directly pay their bills. However, respondents who did not have mobile banking can go out looking for bank and make the transactions.

In terms of convenience factors, all respondent agreed G-Market is very friendly user even for beginner and less-known Korean language. G-Market also provide the customer in English language. In terms of variety of products, most respondent also agreed that G-Market has the most product variance even international products, from households to electronics products.

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