

A Qualitative Analysis of the Online Consumer Behavior of Millennials in the Philippines

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Abstract: This qualitative research would like to understand the behavior of millennials when purchasing items online using top e-commerce websites or applications in the Philippines. This study interviewed participants from the Philippines, and their responses were transcribed manually and coded for analysis. When selecting items to purchase online, the study found that the participants consider the store's reputation, cost, availability, and delivery time. Also, their decision to either keep, buy, or delete the item(s) in the online shopping cart is based on their perceived need for the product, the possibility of a price markdown, comparison with other items/stores, and their budget. Furthermore, this study discussed millennials' behaviors when providing feedback, receiving the purchased items, and returning them.

Key Words: E-commerce; Millennials; Behavior

1. INTRODUCTION

This research would like to understand the behavior of millennials when purchasing items online using top e-commerce websites or applications in the Philippines. Millennials form the largest group of online purchasers and should be satisfied with their online shopping experience (Emamdin et al. 2020). In addition, this study was conducted during the time of a pandemic.

This study collected detailed qualitative data from the participants regarding their behavior in the process involved in purchasing items online. According to Madhavan and Kaliyaperumal (2015), consumer buying behavior is a construct of very high interest to marketers and retailers. Moreover, the research aims to understand the consumer buying behaviors of the selected participants using the Thematic Analysis (Braun & Clarke, 2006) as a guide

for data analysis. The literature review shows that past publications on this topic were analyzed using quantitative methods

2. METHODOLOGY

2.1 Research Settings and Subjects

This study is focused on the behaviors of millennials in different events involved in purchasing items online on top e-commerce sites or applications in the Philippines. A total of 10 respondents participated in the study. Based on the recent guidelines for thematic analysis (Braun & Clarke, 2013), 6–10 participants are recommended for interviews in a small project (Fugard & Potts, 2015).

The selection of respondents for this study was based on the following criteria: (1) The participants must have a personal account in any of the top e-commerce sites or applications in the Philippines, (2) They must have purchased multiple

items using their e-commerce account in the past two years or more, (3) Currently residing in the Philippines and (4) Born between 1981 to 1996.

2.2 Data Collection

This study collected detailed data from the participants regarding their behavior in the process involved in purchasing items online. The participant's profiles are provided in Table 1. The participants were interviewed online using an online meeting application from 15 minutes to 20 minutes. In addition, follow-up questions were asked to the participants using an online messaging application. Also, all the participants provided consent on data collection, specifically the audio recording of the interviews and chat responses. The online interviews and chats were conducted using English and the Filipino language. Furthermore, the responses using the Filipino language were translated to the English language. Lastly, the interviews were transcribed manually and coded for analysis.

Table 1. Profile of the Participants

Participant	Gender	Location	Online Shopping Experience (Years)	Estimated Online Shopping Spending Per Month (PHP)
M1	Male	Manila	3	5,000
M2	Male	Manila	3	3,000
M3	Male	Butuan	10	5,000
M4	Male	Cavite	2	7,000
M5	Male	Manila	5	5,000
F1	Female	Manila	5	5,000
F2	Female	Manila	10	10,000
F3	Female	Manila	5	10,000
F4	Female	Manila	4	5,000
F5	Female	Cavite	6	2,000

2.3 Thematic Analysis

The thematic analysis involves searching across a data set to find repeated patterns of meaning (Braun & Clarke, 2006).

A theme captures something important about the data in relation to the research question and represents some level of patterned response or meaning within the data set. A researcher's judgment is necessary to determine what a theme is.

Furthermore, the "keyness" of a theme captures something important in relation to the overall research question. (Braun & Clarke, 2006).

The thematic analysis (Braun & Clarke, 2006) as shown in Table 2, is an iterative and reflective process that develops over time and involves constantly moving back and forward between phases (Nowell et al., 2017). Furthermore, the principal author analyzed the qualitative data with the guidance of the research adviser.

Table 2. Phases of thematic analysis

Phase	Description of the process
1. Familiarizing yourself with your data	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
2. Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
5. Defining and naming themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.
6. Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

3. RESULTS AND DISCUSSION

3.1 Selection of Stores

E-commerce sites allow multiple stores to offer the same products. As buyers, the participants have different criteria to determine which store to purchase the product. This study found that the

store's reputation is one of the criteria used by the participants in selecting the online store. The participants determine the store's reputation in different ways, including reading reviews from other users, checking the store's rating, and the "mall" status of the online store.

All the participants read product reviews of other users and use this as one of the bases to determine the store's reputation. According to M4, "I see to it that I check the comments especially because we cannot see the products", "sometimes they might be offering the merchandise for less, but there might be defects".

Participant M1 uses the "Mall" status of the store as a basis of reputation since stores with this status are verified by the e-commerce website, which guarantees that these stores are selling authentic products. Some participants buy high-value items only from sellers with "Mall" status. However, most participants do not want to purchase expensive electronic items such as phones and laptops online. According to M4, "Since electronics are high valued items, I prefer to see it in the physical store because it's difficult to return products if you buy them online.". and M5, "I buy electronic items on physical stores because it is better to experience the product before buying it and it's easier to claim for warranty."

On the other hand, participants also trust non-mall stores if they have good reviews, ratings, or top sellers. According to participants F5, "If the ratings are good, the mall status doesn't matter".

In addition, the cost of the product is also a factor for the participants. Participant M1 arranges the search result by prices, M3 wants to make sure that the product is reasonably priced, F1 checks the cheapest offer. Also, according to F2, she checks the "cheapest with the most reviews" and F3 "the price but must be within my budget".

Furthermore, the item's availability is also a basis for the selection of the store. Some products are in limited supply and are available only to some stores. Participants M1 and F2 used this as a basis for selection. According to F2, she does not wait for the

product to go on sale if few available quantities are left in the store.

Lastly, the delivery time also matters, especially if the participant needs the item immediately.

3.2 Add to Cart

During the interview, all the participants admitted that they currently have some pending products on their online shopping cart. These are items that they picked from different stores but have not yet purchased. The participants provided various reasons regarding this behavior.

Participant M1 has an average of 1 to 2 items in his online shopping cart, while participant F5 has 124 items in her online shopping cart during the interview. According to M1, "I consider it as impulsive buying. If the products stayed for three months or more, I delete it. However, if I think about it for 1 to 2 months then I will buy it". Also, participants M2, M4, F2, and F3 check if they really need the item(s) before purchasing it. According to F3, "I add to cart to buy time for myself to decide if I need it or not."

In addition, the possibility of a price markdown is also a factor why some participants are keeping some items in the online shopping cart. Some participants even wait for the monthly sale or free shipping vouchers. According to M5, "If it is free shipping or sale, I will buy it.", M3, "Free shipping matters because I'm currently in the province and shipping cost is expensive.", M5, "Free shipping matters and sometimes I wait for the monthly sale even on midnight to save money."

Also, some participants said that although free shipping vouchers and monthly sale matters to them, they do not wait anymore if they urgently need the item. According to M1, "I wait for monthly sale by default, but I don't have to wait if I urgently need the item.", M2, "The free shipping and monthly sale matters unless I need the item urgently."

Furthermore, some participants use this feature to compare prices from different stores. F4 "I am waiting for a price markdown on the monthly sale

and comparing prices from different stores" and F5 "I add to cart and make the comparison after."

3.3 Payment

The participants have tried different payment options available in the e-commerce application. Most of them are paying their purchase via credit card, cash-on-delivery, debit card, or from a virtual wallet. In addition, participant F4 shared that she once used the SPaylater option in one application to pay for her purchase. According to the e-commerce website, this payment method is an installment loan with options to pay within 1 to 3 months. According to F4, her experience in using this feature is okay. However, she received many payments reminder even though it's not yet the due date. She shared that "before the payment date, there are messages thru text and from the app. I also receive calls from them to my mobile and Viber number. There are a lot of methods for them to follow up even though you are not on the due date yet." Also, she shared that the payment for the installment can be made using the cash-in feature in the application using her virtual wallet.

3.4 Issues with the products

The participants have encountered some issues with some products that they purchased. Some shared that some products arrived broken, with dents or below their expectations. They usually message the online stores directly and or the customer service of the e-commerce application to report the incident and ask for a refund.

However, none of the participants returned the item(s) with issue(s) to the seller because they believed this process would consume time and money. According to M3, "I message the customer service and the store, but they usually don't reply. I haven't returned the item because it's a hassle and I have to pay the shipping cost.", M5 "No response coming from the seller, it's really hard to return the product. I also don't have time to return the product. It will consume my time and money.", F2 "the local store agreed to return the product, but I have to shoulder the shipping cost. Also, I didn't return it because of the pandemic.", F5 "I message the seller, but they are not replying. I don't return the products because it's a hassle".

In addition, participant F3 shared that there was an instance where the store did not ask her to return the product, but the store sent a product replacement. Also, M4 shared that he did not return the product or ask for a refund but only informed the seller that the product was not what he expected it to be and left a low rating to the online store.

Furthermore, the participants shared that they either keep the products with issues and use them if it is useable or dispose them if it is not usable.

3.5 Providing Feedback

The participant shared that they have written reviews and provided ratings to store(s)/product(s). They provided different scenarios on when to give feedback. According to F2, "I write reviews because it's a way to help the seller.". Also, F1 shared that she writes comments and provides ratings to most of her purchases because of the rewards given by the e-commerce application. In addition, according to M2, "I write reviews if the seller asked me to write or if they gave me freebies, but in general, I don't write anymore if there are many positive reviews already."

Some participants only write reviews if the product is exceptional or below their expectations. According to F5, "I only write reviews if the service is great or bad, no in-betweens.", F4, "If it's really good I write with photos.", and M5, "I only write comments if the service/product is exceptional and if it's very bad."

Some participants do not write bad reviews. According to F4, "I don't give bad reviews, but I give the feedback internally with the seller."

In addition, some participants only give ratings. According to M3, "Most of the time, I give five stars without any words if it's a good item." M4, "Most of the time, I just give stars; I only write comments if the service/product is exceptional and if it's very bad."

3.6 Receiving the Purchased Item

The participants shared that they either personally or someone received their purchased items from the courier on their behalf. All the participants

shared that online shopping reduces their stress. M1 shared, "In general, it reduces my stress. It's a happy moment when you have a delivery and unbox it. It's instant gratification that I buy clothes that I can wear or something that I can use to increase my productivity. It's like retail therapy." According to F2, "It's the only thing that I look forward to."

The participants also shared the things that they were doing with the packaging. In general, they dispose of the bubble wraps and boxes. Also, some participants shared that they cut, destroy, and mark their personal details before disposing of the labels. However, most of them dispose the labels without

removing their personal information because they do not have time to remove it, or it's difficult to remove.

On the other hand, some participants reuse, recycle, or donate the packaging materials. According to F1, she keeps the packaging and sends it to "The Plaf", also known as The Plastic Flamingo, a social enterprise based in the Philippines that collects and transforms plastic waste into a range of sustainable construction materials. In addition, participants M1 and F2 keep the boxes and reuse them in case they need to resell the item(s). Lastly, F5 shared that they give the bubble wraps to her neighbor because, according to her, they are popping the bubble wraps as a stress reliever.

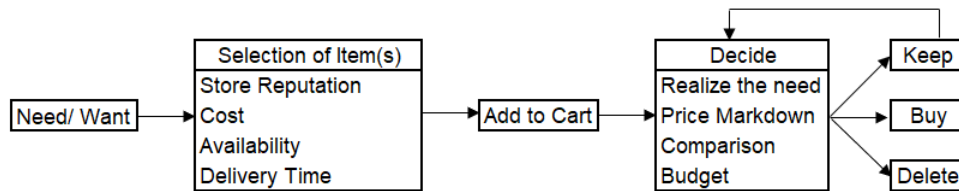


Figure 1. A Model of the Online Shopping Behavior of the Participants

3.7 Theoretical Integration with Existing Literature

A study on the online shopping behaviors of millennials in Montenegro (Melović et al. 2021) revealed that Millennials perceive it beneficial compared to purchasing in traditional shops but also perceive it as very risky, which is why they buy mostly inexpensive products online. This research finding is aligned with the results of this study. The participants of this research prefer to purchase expensive electronic items in the physical store than online.

Furthermore, a study on the online buying behavior of millennials in Kuala Lumpur, Malaysia (Emamdin et al. 2020) revealed that e-loyalty and e-satisfaction are determinants of online buying behavior among millennials.

In addition, several steps that a customer goes through to purchase a product include recognizing their needs, solving the needs identified, making decisions on a purchase, interpreting information,

making plans, and implementing the plans (Anderson & Golden 1984). This research shows that there are also many actions involved in the participants' online buying and some of them are similar to the steps identified by Anderson & Golden (1984).

Lastly, Eri, Aminul Islam, Md., and Ku Daud (2011) revealed that perceived usefulness, ease of use, security, and the compatibility significantly influenced the attitude towards online buying. These results were also aligned with the study's findings on the participants' selection and decision criteria.

4. CONCLUSIONS

This study describes the different behaviors of the participants while doing transactions from e-commerce applications. The study found out that when selecting items to purchase online, the participants consider the store's reputation, cost, availability, and delivery time before they add the items to their online shopping cart. In addition, all the participants admitted that they currently have some products pending on their online shopping cart.

They do this to buy some time to decide. Their decision to either keep, buy, or delete the item(s) in the online shopping cart is based on their perceived need for the product, the possibility of a price markdown, comparison with other items/stores, and their budget. Furthermore, the participants provide feedback about the product they purchased to help the sellers, get rewarded by the application, or if the products are exceptional or below their expectations.

Similar to the result of the study of Melović et al. (2021), this paper suggests that e-commerce applications need to build consumers' trust to increase online sales. In addition, they should also focus on the e-loyalty and e-satisfaction of millennials (Emamdin et al. 2020).

Also, the study found that none of the participants have returned item(s) that they received with issue(s) because they believe this process will consume time and money. It is recommended that the e-commerce application and the online shops simplify this process.

In addition, a participant shared her experience using the loan/installment option offered by an e-commerce application where she received multiple payments reminders, including calls and texts, even though it's not yet her due date. It is suggested to the e-commerce application to limit these payment reminders.

Lastly, some participants shared that they cut, destroyed, and mark their personal details before disposing of the packaging labels. However, most of them disposed of the labels without removing their personal information. It is recommended that participants protect their personal information by removing their name, contact number, and address from the packaging labels. Also, they are encouraged to follow the example of other participants in reusing, recycling, or donating the packaging materials.

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