

Exploration of Consumers' Willingness to Buy in Groups in Communities based on Customers' Perceived Value

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Abstract

With the gradual improvement and completion of IT technology and expenditure methods, the old conservative model of e-commerce has revealed huge problems: its derivation methods are imperfect and expensive, the presentation system is imperfect, and the expenditure system is doubtful. In this paper, we analyze consumers' willingness to participate in community group buying from the perspective of customers' perceived value. By reviewing the literature and conducting some literature collation, we establish a regression model and propose a research hypothesis based on the current situation of community group buying. After collecting the questionnaires, the data were analyzed and tested in SPSS25.0 to verify the research hypotheses, and the following assertions were made: 1. Consumers' attitudes toward community group purchasing have a positive and positive impact on their willingness to participate in community group purchasing; 2. Perceived benefits have a positive and positive impact on consumers' attitudes and willingness to participate in community group purchasing. There is a need to pay more attention to consumers' perceived value and purposeful targeted marketing; secondly, to reduce the degree of risk perception and improve the value delivery of products so that consumers' purchase volition is strengthened; finally, to change the contest strategy, transform the price contest into a value contest, improve the platform and web design, and make full use of word-of-mouth marketing.

Keywords

Community Group Buying; Perceived Value; Social Value; Emotional Value; Price Value.

1. Introduction

With the gradual improvement and completion of IT technology and expenditure methods, the previous old-fashioned mode of e-commerce has revealed huge problems: its derivation methods are imperfect and expensive, the presentation system is imperfect, the expenditure system is under suspicion, and the logistics coverage capacity is very limited, and the process of identity verification is tedious and complicated. The seriousness of these problems has greatly hindered the development of e-commerce. Especially in recent years, there are more and more micro-businesses in the circle of friends, and community operations and netizens have started to bring goods, which is a form of "people looking for goods". From 2017, the circle of friends and community sharing, Poundland jumped into view. Pindoduo is a typical shopping platform that relies on the community of WeChat for fission. With the emergence of this mode of operation, social e-commerce ushered in a new way - "community group purchase", which can be considered a milestone of social e-commerce, marking the entry of e-commerce into the "goods to people" stage.

This is a milestone for social e-commerce, marking the entry of e-commerce into the "goods to people" mode. Nowadays, the network environment is improving all the time, and online retailing is accelerating its penetration. AI intelligent and good quality goods are recognized and chosen by many consumers through online retailing platforms, and online retailing will

play the role of a guide and gas pedal in the process of China's future consumer transformation and reform.

2. Theoretical Background

2.1. Community Group Buying

Community group buying is a retail mode of commodity distribution that relies on the form of community and head of the group. The core of its business model is "headman + pre-sale + pick-up". The community leader pushes the product information, guides consumers to purchase, and provides certain after-sales guarantee conditions, so as to achieve certain sales, and according to 10%-15% of sales commission, earning commission. All the goods of community group buying are pre-sales system, users place orders and pay 1-2 days in advance on the group buying platform APP or WeChat app, and the goods are delivered to the designated pick-up location the next day, or delivered to the nearby post by express delivery, and users go to pick up the goods purchased by the group according to the SMS reminder. The current community group buying started around 2015, and in 2016-2019 community group buying developed rapidly, and many big brands such as Xingsheng Yousei were established at the same time in this period.

2.2. Customer Perceived Value Theory

According to Zeithaml (1998), the customer perceived value is the difference between the perceived benefit and the perceived cost. This conclusion, based on a study of consumer behavior, led to the concept of "benefits received" and "costs paid", which attracted a lot of attention at the time. In the following three years, Sheath (1991) further classified customer perceived value into the following five scales. They were emotional value, social value, performance value, situational value, and perceived value. This was certainly a landmark achievement in customer perceived value theory in that period. In the years since then, the value dimensions "perceived price" and "perceived quality" have received considerable attention in the study of customer perceived value. Even in future research, many people have focused on quality and price, and even some research on emotional, social and situational values is scarce and lacking.

3. Hypothesis Development

3.1. A Conceptual Model of Customer Perceived Value and Consumers' Willingness to Make Group Purchases in the Community

By compiling the research reviews of domestic and foreign scholars and sorting out the theoretical structure of related concepts, we know that major domestic and foreign scholars have defined and classified customer perceived value through their own understanding of customer perceived value. Among them, Zeithaml's (1988) study on the practice of customer perceived value is the most influential. In her study of the beverage market, she summarized the model of customer perceived value based on the observed phenomena and the collated data, that is, the significant internal and external characteristics and the related higher level abstract concepts are the main parts of customer perceived value that benefit. In addition, it is dynamic, i.e., it changes according to the place of purchase, the environment of purchase, the time of consumption and other references.

The scholar Sheath (1991) categorized the perceived value of customers in the purchase process into five directions. They are social, efficacy, knowledge, emotion, and environment. In the following years, scholars such as Sweeney (2001), based on their predecessors, divided the perceived effects of customers in the purchase process into the following four categories,

namely price, performance, emotion and social. Scholar Bai Lin (2009) found a causal relationship between customer perceived value and satisfaction in his drilling study. For repeat buyers, sensitivity to value is positively related to satisfaction, and for first-time buyers perceived value can be said to be the antecedent of satisfaction. The scholar Qianxin Feng (2019) in his study rectified the literature on the drilling of customer perceived value and customer perception measurement methods of intangible products in ancient and modern times, and found that different researchers will design different latitudes for measuring customer perceived value according to the environment in which they are located and the object of study according to local conditions.

In this paper, we analyze the willingness of consumers to make community group purchases in the direction of perceived value, starting from the decision-making characteristics of consumers in community group purchases. Based on interviews with consumers about their willingness to shop in community groups, we have found that the main reason why consumers shop in community groups is because of the value of the benefits that community groups bring, mainly in terms of monetary value, emotional value, and social impact value. In addition to the economic savings that community group buying can bring to consumers, they can get the products they want at a lower price; in addition to the joyful shopping experience that community group buying can bring to consumers, they can achieve a sense of accomplishment and psychological satisfaction when they shop together with their colleagues and friends. Therefore, this paper will classify the perceived benefits into the following three aspects: emotional value, social value and price value according to the actual environment of community group buying. The perceived benefits are closely related to consumers' attitudes toward community group buying and will have an impact on consumers' voluntary bursts about community group buying. The specific research framework is shown in Figure 1 below.

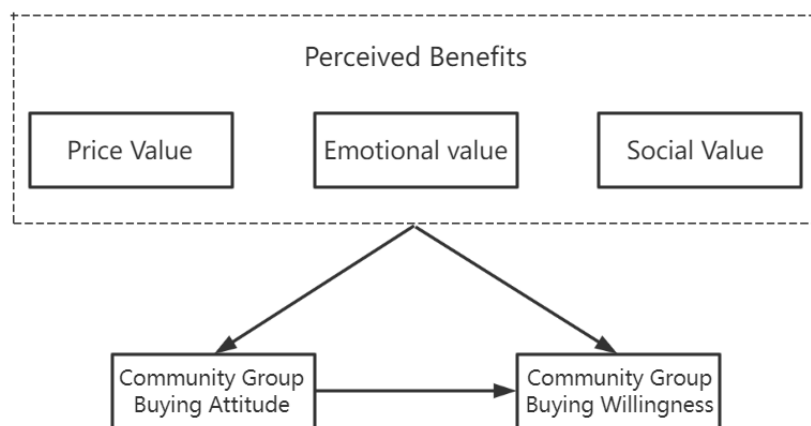


Figure 1. Model of customer perceived value, community group purchase attitude and community group purchase intention

3.2. Research Hypothesis and Rationale

3.2.1. Hypothesis on the Association between Perceived Benefit Correlates and Consumer Attitudes Toward Community Group Purchasing

After interviewing with consumers, it can be learned that the greater the benefits consumers perceive for community group buying, the more profits they have, the more positive their community group buying intentions are, and the more willing they are to make community group buying when making purchase decisions. This study has the following three dimensions regarding consumers' perceived benefits: price value, emotional value, and social value, so the following four hypotheses are obtained.

W1: Perceived benefits do not have a demoralizing effect on consumers' attitudes toward participating in community group buying

W1a: price value will not have a demoralizing effect on consumers' attitudes toward participating in community group purchasing

W1b: Emotional value will not have a demoralizing effect on consumers' attitudes toward participating in community group buying

W1c: Social value does not have a depressing effect on consumers' attitude towards participating in community group buying

3.2.2. Hypothesis on the Association between Perceived Benefit Correlates and Consumers' Willingness to Make Group Purchases in the Community

By collating the literature, it is found that different perceived benefits affect whether consumers are willing to purchase the product or not, therefore, the following hypothesis is made.

W2: Perceived benefits will not have a demoralizing effect on consumers' willingness to participate in community group purchasing

W2a: Price value does not have a sullen effect on consumers' willingness to participate in community group purchasing

W2b: Emotional value will not have a depressing effect on consumers' willingness to participate in community group purchasing

W2c: Social value does not have a depressing effect on consumers' willingness to participate in community group buying

3.2.3. Hypothesis on the Correlation between Collusion Attitude and Willingness to Collude in Community Group Buying

By reviewing a large amount of literature, it was found that nowadays, in community group buying, the attitude of group buying has a certain degree of influence on the willingness to group buying, so the following hypothesis was made.

W3: Community group buying attitude has a positive and optimistic influence on consumers' willingness to participate in community group buying

4. Methodology

4.1. Descriptive Statistical Analysis of the Sample

In terms of perceived benefits, the mean value of price value is 4.02; the mean value of emotional value is 3.87; and the mean value of social value is 3.66. The mean value of group purchase intention is 3.97; followed by 3.765 as the mean value of group purchase attitude. The social value is smaller and mainly concentrated in the general area, while the rest are concentrated in the general and basic agreement options. The maximum values of this question design are all 5, 1 is the lowest point of each question item, and 1-5 are its value range, so the standard deviation can be applied to compare with each other. In terms of perceived benefits, the standard deviation of price value varies widely, so it can be concluded that consumers have different and discrete opinions on price value in community group buying.

4.2. Reliability Analysis and Validity Analysis

As can be seen from Table 1, the scale's overall Cronbach's alpha coefficient is 0.963, which has obvious reliability. 0.882 is the price value Cronbach's alpha coefficient; the emotional value Cronbach's alpha coefficient is 0.881; group purchase Cronbach's alpha coefficient of attitude is above 0.75, and Cronbach's alpha coefficient of social value is over 0.9, which clarifies that the scale has good consistency among the headline questions.

Table 1. Results of reliability analysis of each variable

Variables	Items	Title	Cronbach's coefficient
Perceived Value	Price Value	8-10	0.882
	Emotional Value	11-13	0.881
	Social Value	14-16	0.928
Community Group Buying Attitude		25, 26	0.848

As can be seen from the above table, the KMO values of perceived value, etc. are: 0.872, 0.751, all above 0.7; Bartlett's spherical test are 0.000, and the three community group purchase attitudes and willingness are less than 0.01, which are suitable for factor decomposition.

Table 2. KMO values and Bartlett's sphericity test

Variables	KMO	Bartlett sphericity test		
		Approximate cardinality	Significance probability	F
Perceived Value	0.872	934.304	0.000	36
Community Group Buying Attitude	0.751	208.485	0.000	3

4.3. Related Analysis

Community group purchase attitude is positively correlated with community group purchase intention at the level of 0.01, with a Pearson correlation index of 0.793. Based on this, hypothesis W3 is tested. community group purchase attitude is positively correlated with price value, in emotional value, and social value at the level of 0.01 with Pearson correlation indexes of 0.560, 0.729, and 0.792, respectively. Community group purchase intention was non-negatively correlated with price value, emotional value, and social value at the 0.01 level with Pearson correlation indices of 0.667, 0.721, and 0.672, respectively. Perceived benefits were positively correlated with attitude toward community group purchase at the level of 0.01, with a Pearson correlation index of 0.781, and perceived benefits were positively correlated with willingness to group purchase at the level of 0.01, with a Pearson correlation index of 0.764. The correlation levels between the three were high.

5. Conclusion

Consumers' attitudes toward community group buying have a positive impact on their willingness to participate in community group buying. If consumers do not know much about community group buying and have negative thoughts, they will seriously affect their behavior of community group buying and will not even suggest others around them to participate in community group buying. If a consumer knows a lot about community group buying and is willing to explore it, and even often participates in the community group buying, he will not only become a "heavy user" of community group buying, but also drive more potential consumers to participate in community group buying, which is more conducive to the deep penetration of community group buying in unknown areas.

Perceived benefits have a positive impact on consumers' attitude and willingness to participate in community group buying. For example, whether the price is low, whether the cost can be saved, whether the community group purchase experience can bring a happy emotional experience, whether it can gain the recognition of people around, whether it can close the relationship with others, and whether it can establish a good social image are all positively related to consumers' attitude and willingness to participate in community group purchase. The image of community group buying is closely related to consumers' attitude and willingness to

do so. Consumers are most sensitive about price value, followed by emotional value and social value. This shows that if the merchant gives up more value and delivers quality products to the consumer, it will contribute to the consumer's desire for community group buying.

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