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# INVESTIGATION OF PROMOTION STRATEGY INFLUENCE TO CUSTOMER ATTITUDES TOWARDS E-SHOPPING: THE CASE OF TAOBAO COMPANY

Bachelor's thesis

Programme TVTB, specialisation marketing

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I declare that I have compiled the paper independently
and all works, important standpoints and data by other authors
have been properly referenced and the same paper
has not been previously been presented for grading.
The document length is 9217 words from the introduction to the end of conclusion.

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**ABSTRACT** 

Purpose – the purpose of this study aim to figure out 'customer attitudes towards e-shopping, based

on the promotion strategy case of Taobao company' and analyze the factors of influencing

customer attitudes that have positive effect on Taobao company.

Methodology – Firstly, based on the literature review, four hypotheses were concluded. Then, the

four hypotheses were verified by the quantitative research methods, online-questionnaire and

interview.

Findings – The result shows the four hypotheses were accepted.

Value – this thesis supply an operation strategy for e-commerce company. The elements of

influencing consumer attitudes in e-commerce make companies improve from these clues.

Keywords: E-commerce, Taobao, promotion strategy, consumer attitudes

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# INTRODUCTION

The topic of the thesis is investigation of promotion strategy influence to customer attitudes towards E-shopping: the case of Taobao company. The topic is up to date and relevant because E-commerce business as the new business methodology to satisfy the needs of the customer within the high quality of goods and services (Kalakota & Whinston, 1996). Nowadays, the development of online consumer to consumer model has a significant change in China due to the strong effect of Taobao.com. Especially, Taobao could be an important part of Chinese's lives (Wang & Guo, 2012).

The author has chosen the topic because the author would like to build a startup company on Taobao. This research could supply valuable suggestions for author at the beginning of operating business.

The reason for the research is that figuring out the reason for the promotion strategies of Taobao could be developed successfully in China. Then, it could supply value advice for other e-commerce companies and start-up E-commerce companies.

The author has formulated the research problems as follows:

- -Identifying what kind of promotion strategies in E-commerce can mostly stimulate mass consumption in case of Taobao company of product assortment.
- -Analyzing the relationship between customer's attitude for different promotion strategies.

The field of the research is related to the operation of promotion strategy in E-marketing industry.

The author has taken the company Taobao.com as an example because Taobao company could be a leader of the online C2C company, which occupied more than 70% of market shares in China (Li, Li, & Lin, 2008). Therefore, it could be a representative of C2C E-commerce business to get the value study what the thesis analyzed.

The aim of the research is to analyze what kind of promotion strategies in E-commerce business that could mostly influence the brand reaction of customers to supply value suggestions and correct promotion strategy for small e-commerce business.

During the research the author is going to prove the following hypothesis:

H1, the need of exciting experience positively affects customer attitude towards shopping on Taobao

H2, the security shopping environment for Taobao from Alipay as the motivation positively affects customer attitudes.

H3, customers regard Taobao are convenient, everything and cheap, which positively affects customer attitude

H4, customer attitude toward Taobao is positively related to their patronage intentions

To get the aim the author has stated following tasks:

- -The literature review about the background of promotion strategy in market strategy and E-commerce development.
- -Specifically, analyzing the background of Taobao.com and its related market strategies, competitions and promotion strategies.
- -Using online-questionnaire to get the value of customers.
- -According to the results of online-questionnaire to figure out the author's hypotheses are correct or not.

The author has applied following research methods:

Using online-questionnaire to get the value of the customer. Then, using SPSS test the result of questionnaire and regression (Multiple Linear Regression) to exam hypothesis.

The scope of used sources is evolving because of the rapidly developed on Taobao or other E-commerce business. Generally, the aim of E-commerce business industry is to supply more conveniently service and an efficient way for customers. It could be a trend to combined E-commerce concept with different industries in the future. Therefore, promotion strategy analyzing is necessary for small E-commerce business.

# 1. LITERATURE REVIEW

# 1.1. Customer attitudes and influencing factors in on-line shopping

<u>Customer attitudes</u> are related to purchase reasonably from beliefs. The more positive beliefs, the more favorable attitude. And consumer's buying decision depends on their attitudes to its brand (Haugtvedt, Herr, & Cardes, 2008). Especially, the model of theory of reasoned action showed a research combined with attitudes and intentions could influence behavioural intentions (Ajzen &Fishbein, 1975). So, attitudes are integral element of behaviour.

The author will introduce the main factors influencing customer's attitudes in the online shopping, which could supply an efficient operation management according to the factors to improve small E-commerce business service for customers. The author will introduce influencing attitude's four main factors, namely perceived benefits and trust, perceived Security and privacy, perceived overall service quality, convenience and time saving. That is because the author found out that some articles are mostly analysis the above factors to influence customer's attitudes for online shopping (Al-Debei, Akroush, & Abshouri, 2015) & (ACNielsen, 2008) & (Sultan & Uddin, 2011)

Perceived benefits and trust. Generally, the trust and perceived benefits determine the attitudes toward the online shopping. Also, higher online shopping web site quality will result in higher perceptions of benefits and trust, positive eWOM and favorable attitudes. Especially higher level of positive eWOM could have a higher level of trust in the online shopping. Also, higher benefits of online shopping web site will get more positive attitudes. In addition, the web site quality means the overall performance of online shopping is simple, smooth, reliable and effective. In that case, improving Web technologies will develop the process and information of online shopping. Therefore, the function of web site can be examined by the accomplished situation of browsing, ordering and information local characteristics of web site (Al-Debei, Akroush, & Abshouri, 2015). Specifically, eWOM means positive or negative statement expressed by potential or actual customers about product or service which spread to all audiences by internet (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). In fact, eWOM as a tool to attract potential customers to

purchase the product online. As the recommendation is worth for internet users to figure out the valuable information (ACNielsen, 2008) and customers prefer to trust the information provided by customers who are already used the product (eMarketer, 2014).

Thus, web site quality and web technologies could determine customer's buying decision by online shopping. And it will build consumer's trust and benefits from online products and services. According to the special shopping situation, online feedback, eWOM as an efficiently way spread quickly about the quality and information of products and services.

Perceived Security and privacy. Online shopping must relate to the online payment which means the security of e-transaction could as a least factor to affect the desire of customers purchasing online (Salisbury, Pearson, Pearson, & Miller, 2001). Also, in the e-transaction process, personal information, like customer's name, birthdate, and credit card, will input into the web site, which as a factor avoiding consumers to choose online shopping. Conversely, it indicates that safe and secured transaction online environment could increase customer's trust in the online shopping (Sultan & Uddin, 2011). Therefore, improving advanced technology to supply safer online shopping environment could as a channel to improve customer's trust. There are four factors of online privacy, namely anonymity, intrusion, surveillance and autonomy, defined by Metzger and Docter. Anonymity related to the ability of individuals suppress their truly identity. However, intrusion include unwanted information controlled by individuals, involving the using information and data. Then, internet surveillance related to individual's degree of online monitoring by others. (Metzger & and Docter, 2003). The autonomy as the most common aspect for perceived privacy on the shopping online (Schwartz, 2000).

Thus, security and privacy as key elements to customer's attitudes for the online shopping. Lower security and privacy of online shopping environment, unfavorable attitudes to online shopping.

<u>Perceived overall service quality.</u> After-sales service means the process of products starting to delivery after customer finished payment step. Also, it could be defined as the customer support after sales. There are three part, including customer service, delivery, and problem resolution, to shows the components of after-sale service. All of services aim to satisfy the demands and expectations of customers (Ahn, Ryu, & Han, 2004). Generally, there are two types of after-sale service, which is anticipated services and unanticipated services. Anticipated services are mainly focused on customer plans, like installation, training, and maintenance. Then, the unanticipated

services are mainly focused on the sold-out products, like repairs policy, returns policy, and replacements policy (Sparks & Legault, 1993). Thus, after-sales service can totally influence customer's satisfaction about the overall consumption experiences. In the traditional online shopping process, providing a high-quality service as a perspective to analysis the attitudes of customers. Especially, the communication mechanisms provide a channel to listen customer's complaints and problem solving or to give suggestions of using products and services (Bhattacherjee, 2001). As the lack of face to face communication channel on online shopping indicated that communication mechanism should supply a high-quality level for customers to meet the problems and demands of customers in time. Totally, online shopping service face more challenges compare with Web site service. For example, the process of online shopping includes finding, ordering, and delivering. Multiple process on online shopping to supply high-quality service to customers indicate high difficulty level in this area (Pitt, Watson, & Kavan, 1995) (Ahn, Ryu, & Han, 2003).

Thus, developing the quality of online service is a great way to improve consumer's satisfaction of online shopping. And if online shopping service is much better than the service, customers will prefer to choose online shopping.

<u>Convenience and Time saving.</u> Convenience means customers are easier to get the information of products and services compared with the traditional retail shopping. Especially, convenience related to consumer's purchasing behaviour is a valuable source improving the development of Ecommerce business (V & Nagendra, An Exploratory Study on Consumer Attitude Towards Online Grocery shopping). Convenience variable is affected the purchasing behaviour founded by Hasan and Rahim (Hasan & Rahim, 2004). Generally, valuing convenience by consumers are mostly concerned about the process of buying on web, relating to the overall online shopping experiences. In addition, buyers who are frequently or unfrequently shopping online valued convenience more highly because of the online shopping behaviour increased (Li, Kuo, & Rusell, 1999). Significantly, the functions and options in payments process also can evaluate online shopping is convenient for customers or not (Al-Debei, Akroush, & Ashouri, 2015). Online shopping could bring benefits in terms of convenience, like rich product's information could be gained by customer in time and the convenient search function because of the web site (Bhatnagar & Ghose, 2004). Li, kuo and Rusell found out that convenience-oriented is higher in consumers who purchase online than consumers who do not shopping online. And they predict that a convenience orientation has a positive impact on online shopping (Li, Kuo, & Rusell, 1999). According Kim research showed that convenience

and time saving are classified as one category in terms of perceived benefits (Kim & Kim, 2004). Therefore, to some extent, time saving also means another way to supply convenience for customers on online shopping.

Thus, convenience and time saving as the advanced points are compared with traditional shopping way. If online shopping doesn't supply these services, then, customers may give up this shopping way.

<u>Promotion and customer attitudes.</u> Promotion strategy will increase a lot of awareness about products and services. And it is easier to spread the promotional information to another demographic group. Basically, traditional store is hardly to go physically for aged people compared with online shopping (V & Nagendra, An exploratory study on consumer attitude towards online grocery shopping). Also, promotion can make customers have a strong interests and beliefs for products and services (CM, J, Jr, DM, & AM, 1986). Combined with above factors shows that promotion strategy can stimulate the shopping inspiring for consumers.

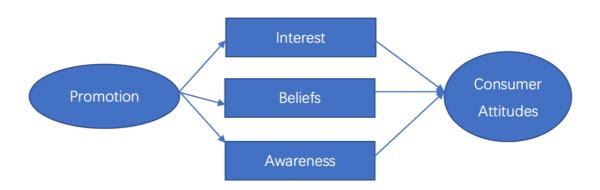


Figure 1. Promotion and consumer attitudes Source: made by author

Source: made by author

Thus, promotion strategy can positively influence consumer's awareness for products and services. Also, consumers would like to learn the brand image and the function of products or services according to the promotion activities. That is because promotion could attract consumer's interests and beliefs for the product. Therefore, it could have a positive influence for consumer attitudes.

# 1.2. Promotion strategy in on-line shopping

Promotion strategy as a factor of customer attitude. Promotion mix as a strategic tool is an integral part of marketing mix.

Marketing mix as a marketing model and tools to analyze company's marketing situation and its objectives (Kotler, 2000). There are 4P of marketing mix, which are Product, Price, Promotion and Place (Jerome E, 1978). Then, the 5Ps of marketing was added people (ShaoKun Fan, 2015). The function of 5Ps is helping you to know the demand of marketing and giving you clues to deal things went wrong (Duermyer, 2018). The 7Ps of marketing, which includes 5ps, process and physical evidence. This model help business to find the key influence elements of its products and services in marketing (Hanlon, 2017).

<u>Promotion mix.</u> Promotion can be defined as the intercommunication between sellers and buyers (Gherasim, Gherasim, & Vasiloaia, 2012). Totally, completed promotion process has five components, namely broadcaster(sender), message, communication channels, receiver and feedback. Accordingly, senders as a role to design this process. Then, message as the main idea in the whole process, including the title, content, illustration and the slogan which makes promotion changed meatier (Gherasim, Gherasim, & Vasiloaia, 2012).

The author will introduce promotion mix and the main four components of promotion strategy, including sales promotion, advertising, direct marketing, and public relations.

As personal selling is a marketing process about consumers based on personal to personal to buy products and services (Adesoga, 2016). Generally, personal selling could be used in face to face situation and telemarketing. In addition, telemarketing includes direct email and online communication (Lumen, n.d.). This function also could be available in direct marketing (Lund & Marinova, 2014). Specifically, the face to face situation mostly will not happen in e-commerce business.

Thus, the author will use promotion mix model of the above four elements.

The author will firstly introduce sales promotion strategy, including the definitions and benefits of sales promotion. Also, this part will describe the different methods of sales promotion.

Sales promotion is an activity between advertising and direct sales to distribute products in a short term (Toader, 2012). Totally, there are seven used tools about sales promotion, which are price reductions, demonstrations and trials, promotional games, advertising on the point of sale, merchandising, sponsorship and promotional samples and gifts. That tools can stimulate consumers have the purchasing motivation in varying degrees (Toader, 2012). Sales promotion as a part of promotion strategy shows an important role in activities. Product life cycle and brand preference for customers are the elements of improving sales promotion to achieve the targets of company (Prendergast, Poon, Tsang, & Ting, 2008). Also, concerning about the high cost of advertisements on media platform, sales promotion looks like a cheaper but efficiently way to stimulate the consuming behavior (Shah & A, 2009). In fact, it could not work if company use same sales promotion method for whole products. It should be specific sales promotion method for specific products. And contest and refund as the negative factors in the sales promotion activities (Dastidar, 2017). Although sales promotion is an efficient and cheap way to distribute the storage goods, different category should have its specific sales promotion. And this kind of sales promotions are not only benefited for sellers related to the short-term goods, but also good for buyers to save money. Thus, sales promotion increase the awareness of brand. Also, it promised that sellers can achieve the sales targets within the period of life cycle of products.

Then, the author will introduce advertising promotion related to the elements of impaction for marketing.

Advertising like a new form of communication between companies and customers. The elements of advertising, like positive, entertaining, attention-getting and persuasive, supply more useful channel for customers to realize the brand (Eisend, 2016). Also, the changes in advertising about format, consumer behavior and effects (Dahlen & Rosengren, 2016) makes it focused on emotion transmission rather than the actual information about the products (Poels & Dewitte, 2006). Brand-related reaction is the final goal in advertising for company which related to consumer behaviour, choices and the attitude about the products. Hence, humor as the key point in advertising which could make people have the emotion reaction and thinking. These effects all refers to the brand-reaction. In terms of that, creative advertising almost inspires customer's feelings deeply and thinking about what the value of the advertisement. Also, advertising is not just defined as impacting people from the traditional description, rather than producing some economic influence (Stewart, 2016). Therefore, advertising is not only related on the brand-related reaction, but also the persuation as one of the goal. After watching an advertising of a company, customers have the

desire to purchase or interested with the product. Then, the advertising works after customer finish the purchasing action.

Now that, it is turn to the direct marketing part. The author mainly focused on the methodology of direct marketing and the feeling and reaction of target customers about this method of sales promotion.

<u>Direct marketing</u> strategy focus on the current customers by frequency, quantity and brand appeals. Mostly, direct marketing showed as sellers always send messages directly to existing customers to improve brand-reaction and increase the frequency and quantity of buying products from its company (Lund & Marinova, 2014). Then, the message usually includes information of coupons and promotions, giving existing customers more chances to know the product's information. It is not only suppling an efficient way to increase revenue, but also giving existing customers more choices to buy products with lower price especially in the promotion activities. Thus, there is a research shows that related to the customer-tailored direct marketing have a strong impaction on sales revenue (Venkatesan & W.Farris, 2012). In some extent, advertising messages give a powerful suggestion to push customers to consume. Nevertheless, if sellers send advertising messages too frequently, it might cause disturbing to existing customers. Specifically, existing customers accept a new service after they received the advertising message by direct marketing way for a long time, which means negative effects will be occurred in that time (Prins & Verhoef, 2007). In short, direct marketing truly increase revenue for sellers. But there is a balance between direct marketing communication and existing customers. Existing customers cannot always receive messages to make a purchase action which means sellers should improve its promotion strategy not only by the method of direct marketing.

Finally, the author will introduce public relations part. The author will describe the difference between public relations and other promotion methods. Also, the aim of public relations will be concerned as follows.

<u>PR</u> (public relations) is defined as the management of intercommunication between organization and its target customers (Coplick, 2006). Totally, PR is different with marketing and advertising. PR aim to describe the features and benefits to customer. In contrast, marketing aim to sell products. Then, PR should be defined as earned media which means reporters write a positive story or experience to audience (Robert, 2016). Finally, clients can earn some value things from PR rather

than just showing that audience should buy products. Besides, PR is always spreading by third-party validation. The benefit of this way is increasing trust between customers and sellers. Generally, PR uses language and advertisement are mostly visual. In brief, PR are mainly to tell audience the importance of products and advertisements are inspiring you to buy this product.



Figure 2. Promotion strategy in E-commerce Source: made by author

Thus, all above promotion strategies has each benefit for promotion marketing. And, each promotion strategy has its own specific function to resolve different promotion problems and enhance the marketing. On the other hand, using promotion strategies separately is not an efficient way to achieve promotion target. Therefore, combined promotion strategies, according to the reality of marketing, will be better for the promotion targets. In addition, promotion strategy can be used in small e-commerce business. That is because these four ways, advertising, direct marketing, PR, sales promotion, are typically spreading information of products and services more quickly by internet.

In conclusion, Advertising aims to introduce products or services positively and persuasively. Then, it could introduce perceived benefits and convenience features of online shopping. Also, sales promotion could increase consumer's interest. It is an efficient way to sell products and services. Consumers will be exciting for sale products. Besides, the aim of PR is introducing the benefits and features of products and services. Then, the features of security and privacy of online shopping could be mentioned in PR strategy. Then, the factors influenced by promotion strategy will influence consumer attitudes.

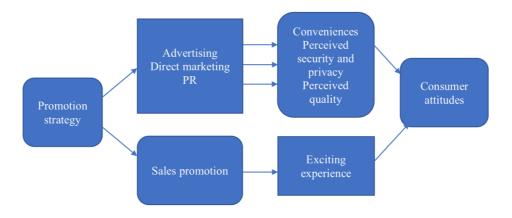


Figure 3. Promotion strategy and consumer attitudes Source: made by author

# 2. ANALYSIS OF PROMOTIONAL STRATEGIES OF TAOBAO IN E-COMMERCE

# 2.1. E-commerce background

The author will introduce e-commerce background as Taobao.com based on e-commerce environment.

E-commerce by definition is trade online, including online retailing, electric markets, online auctions (Wienclaw, 2013).

A healthy e-commerce infrastructure should be supported both by advanced technologies and by a friendly business, legal and cultural environment ((Alex) & Ouyang, 2004).

There are three levels in technology to influence the enablement of ecommerce: a) the level of hard wired telecommunications infrastructure that exists in an economy, b) the level of computer engineering expertise in an economy, and c) the level of wireless infrastructure within an economy. (Bajaj & Leonard, 2015)

According the three levels, they indicated that promoting ecommerce clearly by the high level of hard-wired infrastructure. Recently, wireless net-works should be the cheapest way to build up internet networks. Also, they mentioned a table of the CPT framework model for ecommerce business. The result obviously shows the level of wireless infrastructure has ability to offer wireless opportunities on B2B, B2C, C2C e-commerce.

Then, cultural background as an important element for small e-commerce business. The cultural differences have different impact on different countries. For example, webpage layout has different design method between in China and US. Bruce W. N. Lo and Panqun Gong found that Chinese sites are more active, having a lot of active banners and animation, using a variety of layout elements, but with less white space. However, US sites prefer to use white space and a greater number of icons per page (Panqun & Lo, 2005). Both countries have different webpage design

because the different consuming habits and culture background. Another element of Chinses culture is high uncertainty avoidance. Because trust problem is still a challenge for Chinese small e-commerce business. (Jarvenpaa, Tractinsky, & Saarinen, 1999)

E-commerce means not only the commerce using by computers, but also using computer-mediated channels for business activities. And the aim of e-commerce is to build applications of information and Communication Technologies(ICTs) to influence each part of supply chain in whole process (Davis, 2003). It means e-commerce is not like traditional meaning of business with internet. It could be as an industry to affect other industries. Then, there is a connected relationship between e-commerce and company's strategy. In some extent, e-commerce truly impact the strategy of a company. E-commerce, like transfer of online products and e-commerce asset, increase the promotion strategy and improve the distribution center of goods. Both of internal determinants (firm experience, product uniqueness and management commitment) and external determinants (technology orientation, export market competitiveness, export market infrastructure and entry barriers) for export marketing strategy should be concerned about the e-commerce drivers of product online transferability, e-commerce asset, e-commerce infrastructure and demand for ecommerce (Gregory, Karavdic, & Zou, 2007). Accordingly, e-commerce as a tool to improve company's export marketing strategy. It supplies more convenient way to expand the scale of company. In terms of that, any business could be the global business. For example, the clothes store in China want to expand its own business in UK. Then, the company just sell their products by online shop. After that, customers could know basic information of the products and logistics fee to decide to buy it or not. Therefore, e-commerce can supply more business opportunities for companies.

However, there are still problems and challenges for e-commerce industry. Consumer trust should be the main point in this business. The security of e-commerce website is important for customer's views. Thus, technology and policy solution as the major way to fix this problem (Abyad, 2017). Specifically, if e-commerce company cannot promise the online shopping environment, such as personal information, credit card information and password for log in, the trust in consumers will be the big problem in there. Sony play-station occurred accident which is hacker stolen all credit card and other personal information. Obviously, trust problem happened between Sony company and target customers. Therefore, the best way is improving the related technology and the performance of online platform. Also, consumers need to increase the awareness of online security environment when they input the personal information online. It is better to go to the official

website when the consumers want to shop online or other e-commerce business. For technology part of e-commerce, there are totally eight ways to promise the transaction security for e-commerce application, which is encryption approach, secure socket layer, secure hypertext transfer protocol, trust seals programs, digital signature, secure electronic transaction, privacy policy statements and digital certification (KOHLI, 2016). Each part aims to improve the environment of e-commerce. Otherwise, it is not enough for whole e-commerce business. The development of the e-commerce changes so fast. That means technology not only promise the e-commerce environment, but also meet the demand of consumers. If the process of e-commerce was too complex, then, the advanced technology is meaningless for customers.

E-commerce supply an efficient platform for the implementation of promotional strategies (Peng, 2012). As promotional information can be spread quickly on internet. And the advantages of online shopping, convenience and time saving, make consumer would like to choose this way, especially in the promotion phenomenon. Then, promotion activity can be acted as a carnival (Zhoua, Zenga, Zhanga, & Heb, 2017). For example, Taobao.com supply "Double Eleven Promotion" activity that brought a legendary sales marketing in e-commerce.

Thus, promotion strategy can be as an improvement element in E-commerce. It will attract more customers choosing online shopping when they need to buy products.

#### 2.2. E-commerce in China

As the influence of society and economy improve the development of e-business in China, which developed an application by large-scale and increased to a high level in its industry (Liang, 2010). Also, Liang mentioned that e-business is based on an information economy. Then, the development of the information economy could be driven by social commerce (Oleynikova & Zorkin, 2016).

However, the e-commerce industry in China also meet challenges, which indicated that personal seller, Taobao, accounts for 81.2% on the online business. And value-added tax rate is 17% imposed by Chinese government, losing \$360 billion in international trade per year (Yang, 2014).

Significantly, advanced IT technology could have a positive influence on the capability and success of firm's e-business (Wu, Zhong, & Mei, 2011). Recently, third-party payment in China has shown a technology innovation, which benefited to emerging economics (Yao, Di, Zheng, & Xu, 2018). Also, the Internet of Things created in China could supply an efficient way to get the information about demand and supply of products and services (Kshetri, 2017).

### 2.3. Influencing factors in on-line shopping in global and Chinese markets

The author will introduce the factors of E-shopping markets both in global markets and Chinese markets. As the cultural background of China is totally different with other countries, especially compared to the western countries. Therefore, it is necessary to analysis the key factors of Chinese e-shopping markets.

Global e-shopping markets. E-shopping as a plant directly enables consumers could searching information and purchasing products in online store. Therefore, the factors of pictures, images, quality information, and video clips of the products should be perfectly show for consumers (Lohse & Spiller, 1998). Currently, the growth of e-shopping is continuously. The key points of eshopping are supplying consumers with convenience, and developing the economy development of society. While, e-shopping is becoming more complex as the result of the several stages of purchase process dealing with different strategies. Comparing with traditional purchase process, which is easier that no delivery and online payment process (Diaz, et al., 2015). As the interest of e-shopping is increasing that a growth numbers of firms and organizations expanding their business on internet (Liao & Cheung, 2001). Currently, economy include traditional pattern and modern pattern. As the new technology has used in different industries to add more potential growth in market. Similarly, the reason why consumers choose online shopping because of the convenience features. But there is still a gap for online shopping experiences without human interaction, like face to face communication. In addition, trust is a key factor to build the development of e-shopping. Generally, trust means the trustworthiness related to the internet web sites, the internet shopping medium, security, third-party certification, company size, advertisements. Therefore, the success of e-shopping business is determined by consumers trust with company or products (Kaur, 2017).

In Park and Kim research model shows that the information satisfaction and relational benefit based on e-shopping markets are positively related to site commitment. Then, site commitment has a positive relationship with purchasing behavior (Park & Kim, 2003). It means there are main two factors could influence consumer's purchasing behavior in e-shopping markets. Then, the information satisfaction will be impacted by user interface quality, product information quality, service information quality and security perception. Also, the relational benefit is impacted by product information quality, service information quality, security perception and site awareness (Park & Kim, 2003).

In conclusion, the scale of e-shopping market in global is increasing to improve many companies removing part of business on internet. However, e-shopping is changing complex because of the complicated processes, delivery and online payments, solved by different strategies. Specifically, if delivery time is higher than demand time, the unsatisfied situation will be happened in that time. Also, the general factors of influencing consumer attitudes toward online shopping mostly determined by trust and security.

<u>Chinese e-shopping markets.</u> By June 2017, the number of Chinese internet users has reached to 750 million, increasing by 19.92million internet users in the six months. At the same time, then, the number of telephone internet users up to 724 million, increasing by 28.30 million compare with the number of telephone internet users in the end of 2016. (China Network Information Centre, 2017).

#### Internet development in China.

Recently, Cloud computing, Internet of things and Big data are the new technology for internet. It helps e-commerce could improve a lot that sharing information and resources more quickly and completely. Especially, customer can know the new products in time and give real feedback (China Network Information Centre, 2017).

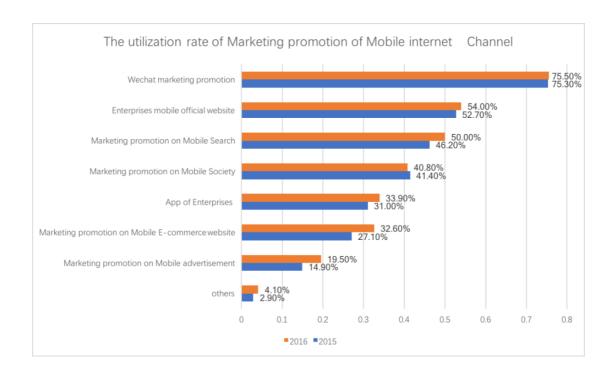


Figure 4. The utilization rate of Marketing Promotion of Mobile internet Source: (China Network Information Centre, 2017)

<u>Logistics Development.</u> The elements of logistics system in e-commerce includes a high degree of informationization, network and intelliectualization (Chen Xianglian, 2013). Also, Chen mentioned that the challenges of e-commerce logistics system in China, like low logistic quality, high logistics distribution costs, logistics convenience and serious waste of resource.

However, the social media indicated that the popularization of shopping on Taobao (youtuber)The video topic of Taobao Try-on Haul was suddenly showed by most of You Tuber on YouTube. All kind of videos described YouTuber shopping on Taobao and delivery to their living country. According to the phenomenon shows that the development of e-commerce business cannot be separated from logistics development. Especially concerned about the cross-border logistics.

Generally, delivery time, package tracking service, good condition of package, return or exchange goods service, compensation service and inventory management are the important elements to evaluate the service of logistics company (Li M., 2016). Therefore, supplying excellent logistics service should try to complete all details of whole delivery process.

<u>The government strategies for e-commerce</u>. The "13<sup>th</sup> Five-year" planning for the development of electronic commerce has reported on December 2016. This strategy figured out the mostly three

challenges, unbalanced development in different cities and the competing fiercely and the uncompleted regulations for e-commerce business, faced by e-commerce business. (Ministry of Commerce of the People's Republic of China, Office of the Central Leading Group for Cyberspace Affairs, National Development and Reform Commission, 2016). It encourages that the operation management of agriculture and increasing the quality level of manufacturing industry. Thus, online health, online education and convenience service based online for publics are totally mentioned in the "13<sup>th</sup> Five-years" plan.

# 2.4. Taobao company and it's market position in e-shopping market

Taobao.com, China's largest E-commerce based on the consumer to consumer, which founded by Alibaba Group on May 10, 2003 (OU & ROBERT M, 2009).

The aim of Taobao.com is supplying engaging, personalized shopping experience for customers through highly relevant and engaging content and real-time updates service. It gives customers the chances of getting information in time and interaction with sellers. Most of merchants on Taobao.com are individuals or small business. In terms of that, Taobao.com supply more business opportunities for people who want to have their own company. I-Research report Taobao was China's largest mobile commerce destination of gross merchandise value in 2016 (Alibaba Group, n.d.).

"Singles Day" promotion could be as an attract point on Taobao.com. It shows a very high transaction value on November 11, 2010. On that day, the goods were sold RMB936 million (US\$141.17 million), within an average of more than RMB10,000 (US\$1508.292) per second (Taobao, 2011). According Statista website shows the Taobao's gross merchandise volume of 1<sup>st</sup> quarter and 2<sup>nd</sup> quarter are 449 billion yuan and 508 billion yuan respectively. And each 4<sup>th</sup> quarter shows higher gross merchandise volume because of the "double eleven" and "double twelve" events (Statista, n.d.).

Taobao.com could be an online shopping market not only the big promotion events, but also supporting decision system, such as Alipay and Aliwangwang. Alipay as a third party online payment to promise the safety of online shopping environment. This payment platform based on a prepaid model or charging directly from one's bank card (Liu Y., 2015). The whole payment on Taobao.com process is customers transferred their amounts of money from Bank card bound or

Alipay account to the Alipay platform. Then, after customers received goods what they bought on Taobao.com, they can click confirm if they are satisfied to transfer the amount of money to seller's Alipay account. Otherwise, they can choose return option if they are unsatisfied. After the goods received by sellers, the money can return to customer's Alipay account. Aliwangwany as a communication platform for sellers and customers directly. Customers can communicate with sellers before every transaction to know more details of goods and get agreeable dealing (Jie Gao, 2011).

<u>Industry Description and Outlook.</u> The basic information of Taobao.com has mentioned in above. From the market realist website shows the growth rate in Taobao.com decreased from 90% to 68% between 4<sup>th</sup> quarter 2014 and 4<sup>th</sup> quarter 2015 (market Realist, 2015).

<u>Target Market.</u> the target customer of taobao.com is fashionable younger females. China online shopping survey research shows the income of customers for Taobao are the level of lower than 5000 yuan. Therefore, taobao positioned the fashion, female, small shop patterns is the correct target group in China. Generally, strong desire for shopping in female group, especially the lower price goods, make the sales volume increased on Taobao. Specifically, impulse buying totally stimulates the shopping desire. In terms of that, "double eleven" could be so popular in China. And taobao occupied 80% share of the C2C market (Liu & Jitphrasong).

<u>Lead Time.</u> The number of listed products and web site on Taobao is the number in the C2C online business (Lia, Li, & Lin, 2008). Also, Alibaba has its own payment platform, Alipay, supplied safer and easy way for sellers and buyers when they purchase goods on taobao. Based on the above two reasons, it changes easier and more quickly when customer finish their shopping online process. After payment, it will be concerned about delivery process. Generally, in the domestic shipping, it takes approximately 2-5 business day except some rural area. The delivery time will depend on the different delivery company and customer's living country for international shipping. Generally, delivery time for AIR MAIL needs 15-40 days. Then, EMS (China Express Mail Service) need 7-28 days. The DHL company need 5-10 days for delivery. Totally, items will be automatically shipped in the next day when customers ordered it. Therefore, if customers live in China, the whole process, including order, payment and delivery, just need maximum 5 business day. It needs to get rid of big sale events, some irreversible factors and rural area (Taobao Focus, n.d.).

# 3. RESEARCH METHODOLOGY

# 3.1. Questionnaire and interview design

This thesis aim to investigate the attitude of consumers based on the promotion strategy of small e-commerce business of shopping online. Thus, reaching a large number of respondents who would like to buy goods online is the key element for this study. Jenny mentioned that online questionnaire would get responses from a large number of people more easily and data collected from this generate findings that are more generalizable (Jenny, 2014). Then, researchers could send out different questionnaires at the same time. Also, Gillham found that a questionnaire could establish the relationship between factors, customer attitude and intention (Gullham, 2007). Therefore, this method could supply the useful data for investigating the attitude of consumers for the promotion strategy on Taobao.

Totally, as the two elements of the easier way of the analysis of quantitative data collected and cheaper cost both in questionnaires method (Moser, 1971), the author would like to choose questionnaire method as a part of research method.

Generally, there are three sections in this online self-completion questionnaire. The first section is geographical questions, which includes the current residence and nationality of respondents. These questions aim to identify the status of popularization of Taobao and whether the respondents meet the demand of samples.

The second section of questionnaire aim to measure the four hypothesizes. Each hypothesizes is designed for three closed questions. Besides, this research chose Likert summated scale. The Likert summated scale can be used to measure psychological attitudes, invented by Dr. Rensis (Uebersax, 2017). This study adopts the most common scale-5 point scale ranging. "Strongly agree=1, Agree=2, Undecided=3, Disagree=4, Strong Disagree=5"

Generally, there are five or seven response categories (Shaw & wright, 1967). The reason why choosing five-point scale is that five-point scale can increase response rate and reduce the "frustration level" of respondents (Babakus & Mangold, 1992). Then, the last question as an open

question is designed for some advices and suggests of the future development of Taobao, even the e-commerce business

Hypothesis 1: The need of exciting experience positively affects customer attitude towards shopping on Taobao. Question design: Incorporating three most important features of exciting experience influenced by shopping on Taobao. The three features are atmosphere of sales promotion, like sales carnival, searching goods quickly, exciting feeling about receiving package. Objectives: Identifying the relationship between exciting experiences, including sales promotion, purchasing process and receiving process, and consumer attitudes. This hypothesis is based on theory review introduced that promotion strategy on Taobao and perceived overall quality influencing consumer's behavior.

Hypothesis 2: The security shopping environment for Taobao from Alipay as the motivation positively affects customer attitudes. Question design: The two questions are designed to understand the influences of security environment on Taobao. Increasing trust on Taobao, Increasing belief on Taobao. Objectives: Identifying the relationship between the security of payment platform and customer attitudes. This hypothesis is based on theory review introduced that perceived security and privacy.

Hypothesis 3: Customers regard Taobao are convenient, everything and cheap, which positively affects customer attitude. Question design: The key question of this hypothesis is "the idea of Taobao is almighty in China". Objectives: Identifying the relationship between the idea of taobao and customer attitudes. This hypothesis is based on theory review introduced that perceived benefits, marketing and strategy of Taobao.

Hypothesis 4: customer attitude toward Taobao is positively related to their patronage intentions. Question design: the question of "Taobao changed our life in some extent" and "The image of Taobao increase beliefs to me" are identify the attitudes of consumer. Objectives: identifying the relationship between customer attitudes and patronage intentions. This hypothesis is based on theory review introduced that attitudes are integral element of behaviour.

Then, a pilot test of this questionnaire had been done before posted on the social media platforms. As the pilot test could help researchers to find the problem of questionnaire (Neuman, 1997). So, it is essential to try a pilot test before the online questionnaire. Twenty people, who are the

classmates of the researcher, took participate in the pilot test. After they finished it, researcher asked them some questions, like how long did it take you to complete this questionnaire? Do all questions are related to the topic? Then, twenty participants gave some advices that time is enough and questions are necessary. And they mentioned that the open question should be only one question. Otherwise, participates will not have patience about answering questions. Thus, researcher change the open question as please give some suggests for the future development of Taobao. In conclusion, this pilot test improved the questionnaire.

<u>Interview</u> aims to get the in-depth information around the topic according to participant's experiences (McNamara, 1999). So, it is an easy way to get valuable information from respondents who have experiences on sales management or operation management of e-commerce. Generally, there are eight key words for preparing interview, including knowledgeable, structuring, clear, gentle, steering, critical, remembering and interpreting (Dapzury & Pallavi). So, before I did this interview, I need to totally prepare it well. And the types of interview include in-person, phone interview, second interview and group or panel interview (AMU, n.d.). Then, researcher chose in-person as the type of this interview, which is more convenient for interviewee. The researcher asked 13 questions related to promotion strategy, company's competitors, quality of goods and services, and the questionnaire design. And the interviewee is a product manager, working in a medium e-commerce company. Interviewee could share working experiences of E-commerce, which make researcher understand the e-commerce business in China.

### 3.1. Sampling and methods

Researchers can obtain the feedback of study participants easily (S.K & Given, 2008). And, the convenience samples are affordable. As these advantages, non-probability samples are adopted in this study. Also, this method can get the valuable information in a short time.

The purpose of this survey is to figure out the attitude of consumer, who would like to choose shopping online, based on the promotion strategy of Taobao. The requirements of this survey are the respondents who know Taobao and prefer the lifestyle of online shopping. So, the analyzed data of questionnaire will be from this group.

The link of this questionnaire was posted on social platform, including Facebook, Wechat, QQ and Weibo by researcher. It is a convenient way to get the answer of this questionnaire. After all, the data could be organized and analyzed easily by social platform. As a result, the number of valid samples is 188. And it is collected from the questionnaire system, Soujump. Then, the data from questionnaire will be analyzed by SPSS software. Totally, there are four analysis, reliability, validity, correlation and regression.

<u>Internal reliability</u> as one type of reliability can measure whether all indicators are related to each other (Bryman & Bell, 2015). Then, the most common measurement of internal reliability is cronbach's alpha, which is shown as a number from 0 to 1 (Andy, 2013). And if it considered as "acceptable" in social science surveys, the reliability coefficient should be 0.7 or higher (Wilmar, Marisa, Vicente, & Arnold, 2002).

<u>Construct validity</u>, as an experimental demonstration (James, 2000), test validity (Bryman & Bell, 2015). Factors analysis, testing the construct validity more efficiently, is used to analyze the interrelationships among variables (Andy, 2013). Then, KMO value and Bartlett test are the two conditions to suit factor analysis, meeting the number of 0.6 to 1 and less than 0.5 respectively (IBM Knowledge Center, 2017).

Person <u>correlation</u> means correlation coefficient between +1 and -1. 1 means variables are positively linear correlation, 0 means no linear correlation, -1 means negatively linear correlation.

<u>Regression analysis</u> is mainly building mathematical models to indicate the relationships between variables (George & Alan, 2003)

R is the multiple correlation coefficients between the predictors and the outcome. The value of adjusted R square is close to the value of R square. It means the cross-validity of this model is accepted.

Then, author interviewed a product manager in a medium e-commerce company. The product manager shared his opinion about customer attitudes based on promotion strategy and gave suggestions about author's questionnaire design.

Author used interview method as a part of research methods.

# 4. RESULTS, LIMITATIONS AND DISCUSSION

# 4.1. Customer attitudes to e-shopping and influence of promotion strategy of Taobao

Section 1: Totally, the number of participants is 192. As some participants are never tried online shopping, thus, researcher collected 188 valid samples.

The general information of participants is shown in the table 1

Table 1. General personal information (number is respondents)

GENERAL PERSONAL INFORMATION						
	Country	Current residence	percentage of country	percentage of current residence		
CHINA	180	163	93.75%	84.90%		
UK	2	6	1.04%	3.13%		
ANTIGUA	2	0	1.04%	0		
RUSSIA	2	0	1.04%	0		
ESTONIA	2	13	1.04%	6.77%		
FINLAND	2	2	1.04%	1.04%		
AUSTRALIA	0	2	0	1.04		
BRAZIL	0	2	0	1.04%		
KARACHI	0	2	0	1.04%		
FRANCE	0	2	0	1.04%		
NAMIBIA	2	0	1.04%	1.04%		
TOTAL NUMBER	192	192				

Source: Made by author

According to table 1 shows that majority of respondents are Chinese. This result is accord with the idea of thesis as Taobao based on China. But few respondents are from foreign country also supplying some useful advices.



Figure 5. Questions for shopping online Source: made by author

According to figure 4, the third question of have you ever chosen shopping online aims to screen out respondents who are never tried shopping online. And the fourth question aims to understand the popularization of Taobao.

Section 2: the data of section 2 are shown from software SPSS. Then, the following are four analysis: Reliability Analysis, Validity Analysis, Correlation and Regression Analysis.

#### Reliability Analysis

According the table 2, alpha coefficients are more than 0.7, it shows that this study is a high degree of reliability.

Table 2. Reliability statistics

Item	Cronbach's Alpha	Number of questions
Exciting experience	.754	3
Payment platform	.777	3
Consumer image	.713	3
Attitudes and intention	.910	3

Source: made by author

Validity Analysis-Independent variables

The table 3 shows that the KMO value is 0.904. It is more than 0.6 and close to 1. It means result suit for factor analysis. Then, the significant probability of Bartlett test is .000. It means Bartlett test suit for factor analysis. Therefore, the construct validity is accepted.

Table 3. KMO and Bartlett's Test

**KMO** and Bartlett's Test

Kaiser-Meyer-Olkin Measure of S	.904	
	Approx. Chi-Square	1459.847
Bartlett's Test of Sphericity	df	66
	Sig.	.000

Source: made by author

Table 4. Total Variance Explained

**Total Variance Explained** 

Component	Initial Eigenvalues			Extract	ion Sums of Square	d Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.744	56.198	56.198	6.744	56.198	56.198
2	.935	7.795	63.993			
3	.872	7.268	71.261			
4	.735	6.125	77.385			
5	.558	4.647	82.033			
6	.487	4.061	86.093			
7	.424	3.533	89.627			
8	.370	3.081	92.707			
9	.304	2.531	95.239			
10	.256	2.136	97.375			
11	.169	1.410	98.785			
12	.146	1.215	100.000			

Extraction Method: Principal Component Analysis.

Source: made by author

Correlation Analysis

Correlation analysis aims to prove that the relationship between variables.

As the table 5 shows the value of significance(2-tailed) are less than 0.05. It means the pearson correlation has statistical significance.

According to above mentioned that Pearson correlation rules, therefore, the table 5 indicates that exciting experience, payment platform and consumer image are related to attitudes and intention. Then, there are strong relationship could be found between consumer image and attitude and intention from the value of Pearson correlation.

Table 5. Correlation statistics

#### Correlations

		Exciting Experience	Payment Platform	Consumer Image	Attitudes and Intention
Exciting	Pearson Correlation	1	.631**	.641**	.728**
Experience	Sig. (2-tailed)		.000	.000	.000
Emperionee	N	188	188	188	188
Paymont	Pearson Correlation	.631**	1	.744**	.690**
Payment Platform	Sig. (2-tailed)	.000		.000	.000
1 latioili	N	188	188	188	188
Consumer	Pearson Correlation	.641**	.744**	1	.794**
Image	Sig. (2-tailed)	.000	.000		.000
IIIugo	N	188	188	188	188
Attitudes	Pearson Correlation	.728**	.690**	.794**	1
and	Sig. (2-tailed)	.000	.000	.000	
Intention	N	188	188	188	188

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

Source: Made by author

Regression (Multiple Linear Regression) – Testing Hypothesis

Multiple Linear Regression aims to explain and explore the relationships among variables. H1, H2, H3, which means exciting experience, payment platform and consumer image, are independent variables. Then, consumer attitudes are regarded as dependent variable. The table 9 will explain the relationship between independent variables and dependent variable. The table 6 is the model summary. R value is 0.848. And the value of R square is 0.720. It shows 71.5% of the variation in attitudes and intention. The value of adjusted R square is close to the value of R square. It means the cross-validity of this model is accepted.

Table 6. Model summary

Model Summary <sup>b</sup>							
Model	R	R Square	Adjusted R	Std. Error of the	Durbin-Watson		
			Square	Estimate			
1	.848 <sup>a</sup>	.720	.715	.53361027	1.977		

a. Predictors: (Constant), Consumer image, Exciting Experience, Payment Platform

b. Dependent Variable: Attitudes and Intention

Source: Made by author

The table 7 is to test whether the data could fit the model or not. The F-ratio is 160.929 with highly significant indicates the regression is suitable for data statistics.

Table 7. ANOVA

	ANOVA"								
Мо	del	Sum of Squares	df	Mean Square	F	Sig.			
	Regression	137.469	3	45.823	160.929	.000 <sup>b</sup>			
1	Residual	53.531	188	.285					
	Total	191.000	191						

a. Dependent Variable: Attitudes and Intention

b. Predictors: (Constant), Consumer image, Exciting Experience, Payment Platform

Source: Made by author

The table 8 shows B values are positive. It means the three independent variables have relationship with attitude and intention.

The T values of exciting experience, payment platform, consumer image are 6.579, 2.772 and 8.054 respectively. Therefore, exciting experience, payment platform, and consumer image are positively towards consumer attitudes and intention.

Table 8. Coefficients

Coefficients <sup>a</sup>								
Model	Unstandardize	ed Coefficients	Standardized Coefficients	t	Sig.	Collinearity	Statistics	
	В	Std. Error	Beta			Tolerance	VIF	
(Constant)	1.856E-016	.039		.000	1.000			
Exciting Experience	.348	.053	.348	6.579	.000	.532	1.879	
Payment Platform	.144	.052	.174	2.772	.006	.403	2.482	
Consumer image	.494	.061	.494	8.054	.000	.396	2.528	

a. Dependent Variable: Attitudes and Intention

Source: Made by author

Regression (Simple Linear Regression)

The simple linear regression aim to test the relationship between attitudes and intention.

The table 10 is the model summary. R value is 0.795. And the value of R square is 0.633. It shows 63.3% of the variation in attitudes and intention. The value of adjusted R square is close to the value of R square. It means the cross-validity of this model is accepted.

Table 9. Model Summary

Model Summary <sup>b</sup>							
Model	R	R Square	Adjusted R	Std. Error of the	Durbin-Watson		
			Square	Estimate			
1	.795 <sup>a</sup>	.633	.631	.60775966	1.923		

a. Predictors: (Constant), 16. I would like to consume on Taobao

b. Dependent Variable: Attitudes

Source: Made by author

The table 10 is to test whether the data could fit the model or not. The F-ratio is 327.094 with highly significant indicates the regression is suitable for data statistics.

Table 10. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	120.819	1	120.819	327.094	.000 <sup>b</sup>
1	Residual	70.181	190	.369		
	Total	191.000	191			

a. Dependent Variable: Attitudes

b. Predictors: (Constant), 16. I would like to consume on Taobao

Source: Made by author

The table 11 shows B values are positive. It means attitudes have relationship with intention. The T value of attitudes is 18.086 with 0.000 significant. Therefore, consumer attitudes are positively towards intention.

Table 11. Coefficients

<b>^</b> -	- 6	<b>.</b>	• -		4_
Co	eт	ric	ıe	n	TS.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		В	Std. Error	Beta			Toleranc e	VIF
$\int_{1}$	(Constant)	2.313	.046		49.897	.000		
Ľ	Attitudes	.840	.046	.795	18.086	.000	1.000	1.000

a. Dependent Variable: Intention

Source: Made by author

The result of hypothesis is totally accepted according to the analysis of questionnaire, by SPSS software.

The result from interview, author get valuable information from a product manager in a medium e-commerce company. The manager mentioned that advertising and sales promotion strategies are used frequently in his company. And he also introduced the whole shopping online process to me. He said the most important feature is high quality of goods and services. Then, sales promotion could attract consumers. Also, the perceived benefit and security are both important for e-commerce business. It could build trust between customer and company. The product manager supplied useful information for this study.

After that, he gave some suggestions about the questionnaire what author designed. It is benefited for author a lot.

# 4.1. Issues, limitations and recommendations

The limitation of this survey is that the most of samples are unprofessional person. It is only concerned about consumers. Researcher also need to think about the suggests from professional person. Then, the number of samples is 188, which might not be totally correct.

The limitation of this interview is only one interviewee. The result from this interview might not be totally correct. After all, it is just from one person's opinion. Thus, it is better to choose at least three interviews related to professional persons. As the product manager was busy so that the time of interview is not enough. But the main questions have been asked.

## **CONCLUSION**

This research mainly investigates the customer attitudes towards e-shopping, based on the promotion strategy case of Taobao company. According to the literature review, the author figured out factors might influence customer attitudes towards Taobao. A small company's promotion strategy could increase interest, beliefs, and awareness of consumers for its brand and image. Generally, advertising, direct marketing, PR, and sales promotion as a promotion strategy be used in the small e-commerce industry. Then, the elements of perceived privacy, perceived benefits, perceived risk and purchase cost influence customer attitudes for the e-shopping in China. The quantitative research methods, online questionnaire, and interview, were adapted to analyze the variables, which positively influencing on customer attitudes. E-shopping is becoming more maturely in Chinese market. This study will help small e-commerce business to operate their e-commerce business in China or other countries. The answers to the last open question in questionnaire shows that respondents are looking forward to use Taobao. Also, they hope the delivery time will be changed more quickly for the international trade.

The aim of this research solved that sales and advertising promotion strategy could be the most important factors to influence consumer reaction for company. Also, for the small e-commerce, advertising and sales promotion strategy would be the best choice.

The problem of this research solved that sales promotion could mostly stimulate mass consumption in case of Taobao company. As the hypotheses results indicated that promotion strategies are positively towards customer's attitudes.

The task of this research solved that the result of quantitative methods shows correct. The author used software-SPSS to analyze the collected data from the questionnaire. And author proved that the four hypotheses were all accepted. The following shows that:

Hypothesis 1: The result of questionnaire analysis shows that the need for exciting experience positively affects customer attitudes. Besides, the exciting experience could be reflected from promotion strategy, convenience, and receiving package process.

Hypothesis 2: The result of questionnaire analysis shows that the security shopping environment for Taobao from Alipay as the motivation positively affects customer attitudes. This hypothesis is tested by questions related to the function and security of Alipay platform.

Hypothesis 3: The result of questionnaire analysis shows that most Chinese customers regard to Taobao means convenience. And respondents, who are from other countries, are unfamiliar with Taobao. So, their comments are few useful for this survey. And this thesis aims to analyze small e-commerce in the Chinese market. Thus, it does not matter for this survey.

Hypothesis 4: The result of questionnaire analysis shows that customer attitude toward Taobao is positively related to patronage intention. It means that consumers have a positive attitude for Taobao. And they would like to consume on Taobao.

According to regression (Multiple Linear Regression) analysis indicated that hypothesis 1, hypothesis 2, and hypothesis 3 are positively towards customer attitudes and intention. Hypothesis 1 and 3 are confirmed because table 8 shows the B value and significant value were so positively towards consumer attitudes. Hypothesis 2 is not confirmed as this hypothesis only based on Taobao. And the data from table 8 indicated hypothesis 2 is not totally positively to consumer attitudes compared with hypothesis 1 and 3. Then, hypothesis 4 is confirmed as regression (Simple Linear Regression) analysis showed that customer attitudes for Taobao are positive.

This study is meaningful for small e-commerce market. E-commerce business is becoming more maturely in China. And Taobao could be as a model in this industry. Therefore, the topic of customer attitudes towards Taobao, case of promotion strategy could supply a useful strategy or method for other e-commerce companies. However, it still needs to improve in China, especially the village area. The delivery time is a challenge for this area. As Taobao based on C2C, the quality of goods is hard to control. But according to the comments function of the customer for Taobao, the low quality of goods and services will be washed out in the future.

The current study figured out the customer attitudes only for Taobao, which is mostly operating in China. However, small e-commerce business is also important for other developing and developed countries. Then, this study only focused on the three variables, which positively influenced on customer attitudes and intention. In the future, authors should explore more elements to affect customer attitude and intention for e-shopping.

The limitation of this research result is not totally suit for all small company. As this research is only based on a big company. The result of this research might not be suitable for whole small e-commerce.

The limitation of hypotheses is only concerned Taobao, like the payment platform, Alipay, the sales activity, Double 11, are all from Taobao. Besides, the limitation of research method is that the samples were not enough. It might influence the result of this research.

Finally, this study used two quantitative research methods, online questionnaire, and interview, which is adopted. However, the interview is person to person. The author should use mixed interview types, like group interview, in the future.

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## **APPENDICES**

# **Appendix 1. Questionnaire**

Hello, I am [XIN YI] a student studying International Business Administration in Tallinn University of Technology. I am studying a program, which investigate customer attitudes towards Taobao based on the promotion strategy. This survey should last approximately 8 minutes. You will be asked to fill out a short questionnaire. Personal information will not be released or viewed by anyone other than researchers involved in this project. A debriefing statement will be given to you upon completion of the study. Thanks for your participating.

#### Section 1

- 1. Where are you from?
- 2. Where are you live in now?
- 3. Have you ever chosen shopping online?
- a. Yes b. No
- 4. Have you ever chosen shopping on Taobao?
- a. Yes b. No

Section2

Hedonic experience (1=Strongly Agree, 2=Agree, 3=Undecided, 4=Disagree, 5=Strongly

## Disagree)

1. Excited experiences

•	1	2	3	4	5
The atmosphere of Double eleven carnival drives me to consume on Taobao strongly.					
I can get information of goods on Taobao quickly					
I am deeply excited when I received my packages					

2. Payment platform

	1	2	3	4	5
The high-security of Alipay platform attracts					
people consuming on Taobao					

The safe and effective elements for payment					
platform on e-commerce could increase					
consumer beliefs					
I trust the Alipay so that I would like to					
consume on Taobao					
3. Consumer image					
	1	2	3	4	5
If friends asked me where can buy anything, I					
would like to say Taobao					
The goods and services, which supplied on					
Taobao, are not only cheap, but also high					
quality					
The idea of Taobao is supplying convenience					
and high quality life					
4. Attitudes					
	1	2	3	4	5
Taobao changed our life in some extent					
The idea of Taobao is appealing to me					
5. Intention					
	1	2	3	4	5
I would like to consume on Taobao					
1	1	1	ı		1
Section 3					
Please give some suggestions and advices for	r				
the future development of Taobao.					

# **Appendix 2. Interview**

Today, I invited Mr.Ji as my interviewee to share his opinion of promotion strategy onto customer attitudes, based on e-commerce business. He is a product manager in a medium e-commerce company.

Hello, Mr.Ji. Thanks for you come to share some opinions about promotion strategy in e-commerce business. I will ask you about 13 questions related to my research topic. So, let's start.

Interviewer: Which promotion strategy instructions are used in your company?

Interviewee: Well, for our medium e-commerce company, advertising and sales promotion strategies are much more useful for our target customer. And for advertising, we used to cooperate with internet star, which adverting on social platform. It will make people know our products and service in time. Also, the sales promotion is often used in some festivals. Then, we have special sales promotion for new users, like the 50% discounts for users who firstly purchase our goods.

Interviewer: Which customer attitudes are sufficient for your business?

Interviewee: obviously, if consumer were satisfied with your services and products, they will continue to consume for a long time. Also, supplying sales would be better in some times.

Interviewer: Which influencing factors (in terms of customer attitudes) are indicate your business Interviewee: Obviously, the advertising and sales promotion strategies attract people to consume in our company. Then, the whole service of purchasing process is determined customers whether consuming in the next time. It relates to privacy, benefits, and quality.

Interviewer: How to build the trust?

Interviewee: Actually, most important feature is the quality of goods and services. If customers feel satisfied in the first experience of shopping on our platform, they would like to recommend to their friends. According to the way of WOM, the influence of our company will change more strongly.

Interviewer: How to communicate benefits?

Interviewee: Oh, the most efficient way is the tool of eWOM in e-commerce industry. Consumers would like to listen the suggestions from the group of customers. Also, as an e-commerce company, the high quality of web technology can increase trust between company and consumers.

Interviewer: How to provide security/privacy in payments?

Interviewee: Well, it depends on the maturity of technology. Suppling a safe payment environment for your customers is a right choice. So, we used Alipay, Wechat and Union pay as our payment system. As the influence of Alibaba and Tencent, consumers would like to use the two methods to pay on online.

Interviewer: Quality: which way the quality can be evaluable or communicated?

Interviewee: We supply the function of online comments after customers received products or services. And they can describe the feedback of products and services to other customers. As I said before, eWOM is an efficient way to introduce your products and services in different way.

Interviewer: Convenience and time factor: how to communicate/inform and how to provide?

Interviewee: According to advertising, we indicate the features of our company. As I mentioned again, you know, eWOM. Umm... we build a delivery system, which operated in all cities. It promises the delivery time just in 1 day, except rural area, obviously. Umm, and the process of purchasing should be totally easy for customers. That's a point.

Interviewer: How would you explain the e-commerce new terms?

Interviewee: Umm, in my opinion, e-commerce is changing the lifestyle of people. It means not only convenience or time saving, but also the new times of artificial intelligence. I mean, the whole services will be finished by robot. For example, courier will be instead of robot.

Interviewer: What you can say about Taobao company?

Interviewee: Umm... Taobao already came to a part of Chinese life. We can buy everything on Taobao. And it is do improved the society in China. Like, Taobao as an C2C platform gives work chances for persons. You can open an online store on Taobao to sell what you want.

Interviewer: How to compare competitors in terms of promotion strategy and influence onto customer attitudes?

Interviewee: Well, for the promotion strategy, we need to give more benefits for customers compare with competitors. Like the sales promotion, the discounts are higher than competitors. We spend much more money on advertising. We promised the quality of goods to make consumers would like to purchase in the next time and recommend it to their friends. Obviously, promotion strategy could increase consumer's interest, beliefs and awareness.

Interviewer: Do you ever been to try questionnaire for your customer?

Interviewee: For sure, this is one of my task.

Interviewer: Could you check my questionnaire for a moment? are these questions suitable for the questionnaire?

Interviewee: Oh, yep. Umm... I think the five-point scale is a most efficient way to finish questionnaire. These questions are suitable for questionnaire. And your topic is customer attitudes based on the promotion strategy of Taobao. So, I think these questions related to the topic of thesis. That's totally suitable for your research.