How the characteristics of an online shop affect the consumer satisfaction and loyalty of Finnish and Chinese consumers

Moomin online shop

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ABSTRACT:
The growth of e-commerce has created a shift in the way people consume. Further, e-commerce has created opportunities for businesses to grow internationally. Previous research states that culture effects consumer behavior and specifically, consumer behavior online. This can be seen through the differences between the characteristics of online shops in different cultures. This research compares the differences between the Finnish and Chinese cultures and examines the way in which these differences affect the responses towards the characteristics of two culturally accustomed online shops, the Finnish Moomin shop and the Chinese Tmall Moomin shop.

The study compares the characteristics of the two online shops and analyzes the satisfaction and loyalty of consumers from Finnish and Chinese cultures towards both shops. Further, the literature review introduces insight into cross-cultural consumer behavior online, internationalizing through e-commerce, and the effect of culture on online shop designs. This research aims to get an understanding of differences between the two pages and how it affects consumers from both cultures. The research was conducted through secondary sources and in-depth interviews, where five Finnish and five Chinese participants were interviewed. Quantitative research was also conducted to support the findings from qualitative data. Data from interviews was transcribed and categorized into themes to gain a deeper understanding of results.

The results showed that the Finnish and Chinese online shop pages differed in the amount of information displayed, the layout of the pages, the colors used, and the number of pictures used. Finnish consumers are more satisfied with the simplicity and the ease of finding information on the Finnish Moomin shop page, which is why they are more likely to trust and purchase from the Finnish shop. On the other hand, Chinese consumers are more satisfied with the amount of information and visual characteristics on the Chinese page, which is why they are more likely to purchase from the Chinese shop. However, results also showed, that Chinese consumers are more accepting of the Finnish online shop than Finnish consumers are of the Chinese online shop. Finnish consumers found satisfaction from an online shop through the visual design, such as, it being modern and simple, while Chinese consumers found satisfaction through the amount of information available on the product and consumer feedback. It can be said that consumers from Finland and China will be more satisfied and loyal to an online shop when businesses customize the shop to fit cultural needs when internationalizing through e-commerce.

KEYWORDS: e-commerce, consumer behavior, internationalization, culture

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TIIVISTELMÄ:
Sähköisen kaupankäynnin kasvu on muuttanut ihmisten kulutustapoja sekä luonut yrityksille mahdollisuuksia kasvaa kansainvälisesti. Aikaisempien tutkimusten mukaan kulttuuri vaikuttaa kuluttajakäyttäytymiseen, erityisesti verkossa, mikä ilmenee eri verkkokauppojen kulttuuristen ominaisuuksien eroina. Tutkimuksessa tarkastellaan suomalaisten ja kiinalaisten kuluttajien kulttuurillisia eroja ja sitä, miten nämä erot vaikuttavat kuluttajien tyytyväisyyteen vertailtaessa kahta eri kulttuurisesti räätälöityä verkkokauppaa. Tutkimuksessa hyödynnetään sekä suomalaista Muumi -verkkokauppaa ja kiinalaista Muumin Tmall -verkkokauppaa.

Tutkimuksessa verrataan kahden verkkokaupan ominaisuuksia ja analysoidaan suomalaisten ja kiinalaisten kuluttajien tyytyväisyyttä sekä uskollisuutta molempia verkkokauppoja kohtaan. Lisäksi kirjallisuuskatsaus esittelee kulttuurienvälistä kuluttajakäyttäytymistä verkossa, kansainvälistymistä verkkokauppaa hyödyntäen, sekä kulttuurin vaikutusta verkkokauppojen suunnitteluun. Tutkimuksen tavoitteena on saada käsitys näiden kahden verkkokaupan eroista ja siitä, miten eroavaisuudet vaikuttavat sekä suomalaisiin että kiinalaisiin kuluttajiin. Tutkimus on tehty hyödyntäen toissijaisia lähteitä ja teemahaastatteluja, jossa haastateltiin viittä suomalaista ja viittä kiinalaista. Lisäksi tutkimuksessa käytetään kvantitatiivista dataa kvalitatiivisen datan tukena. Litteroidut haastattelut luokitellaan teemoihin, jotta tuloksia voidaan analysoida perusteellisemmin.

Tulokset osoittavat, että suomalaisten ja kiinalaisten verkkokauppojen sivut poikkeavat toisistaan löytyvän tiedon määrältään sekä ulkoasultaan, esimerkiksi värien ja kuvien käytössä. Suomalaiset kuluttajat ovat tyytyväisempiä suomalaisen tuotesivun yksinkertaisuuteen ja tiedon etsimisen helppouteen, minkä takia he valitsevat todennäköisemmin suomalaisen verkkokaupan ostopäätöstä tehdessään. Kiinalaiset kuluttajat ovat puolestaan tyytyväisempiä Muumin kiinalaisesta verkkokaupasta löytyvän tiedon määrään ja sen visuaalisiin ominaisuuksiin, joten he valitsevat todennäköisemmin kiinalaisen verkkokaupan ostaessaan tuotetta. Tulokset osoittavat myös sen, että kiinalaiset kuluttajat hyväksyivät suomalaisen verkkokaupan eroavaisuudet herkemmin kuin suomalaiset kuluttajat hyväksyivät kiinalaisen verkkokaupan eroavaisuudet. Suomalaisten tyytyväisyys verkkosivuun syntyy sivuston visuaalisten ominaisuuksien, nykyaikaisuuden ja yksinkertaisuuden kautta, kun taas kiinalaisten kuluttajien tyytyväisyys verkkosivuun perustuu sivulta löytyvän informaation määrään ja kuluttajapalautteeseen. Voidaan todeta, että suomalaiset ja kiinalaiset kuluttajat ovat tyytyväisempiä verkkokauppaan, kun yritykset räätälöivät verkkokauppojaan vastaamaan erilaisia kulttuurillisia tarpeita.

AVAINSANAT: verkkokaupankäynti, kuluttajakäyttäytyminen, kansainvälistyminen, kulttuuri

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1 Introduction

The following section will introduce the background of the study. Further, the research problem will be defined, and the research question will be introduced. This section will also present the key concepts of the research and their definitions. Lastly, the process of the study will be explained, which will present the structure of the study.

1.1 Background of the study

Over the last few years, consumer shopping has changed rapidly. Online shopping has become a trend within consumers, creating a shift in the way companies are utilizing the online platform for the selling of goods. Bolwijn et al. (2018) argue, that shopping online has become a part of the economic lives of people, and up to two-thirds of people now shop online in developed and emerging countries. Therefore, it can be said that e-commerce is continuously growing, and more companies are jumping onto the new trend of selling goods and services online, and through this, meeting their customer's needs. Alongside the growth of e-commerce, it has become more evident that in order for firms to stay ahead of competition, internationalization should not be canceled out. Welch & Luostarinen (1988) define internationalization as a process of expanding a business to foreign countries and through this, increasing business operations. Lu & Beamish (2001) point out, that internationalization has become strategically important not only for small firms, but also for large firms. Combining internationalization and e-commerce can become strategically efficient for firms. It allows people all over the world to be able consume goods and services utilizing the fast-moving technology around them.

The development of the internet and e-commerce has provided businesses with a great platform to reach consumers all over the world. It has changed the way in which companies are able to internationalize, as Basu & Muylle (2002, p. 380) mention, there are many opportunities that the internet offers, which changes the way business is done. However, as in internationalization in general, there are many challenges that a company faces in the process. Johanson & Vahlne (1977) demonstrate the internationalization process of companies. They emphasize the importance of market knowledge and

how the lack of it can lead to many downfalls. A company has the responsibility to know and understand the consumer needs of a market they enter, whether it's internationalizing in general or internationalizing with the help of e-commerce. With this being said, the decisions around international e-commerce evolve around whether to take a standardized or localized approach (Alhorr et al., 2010, p. 7).

Culture is a big aspect of internationalization, as culture differs in all foreign markets. Specifically, Hofstede's (1980) theory of cultural dimensions shows the difference between cultures through different dimensions. The differences between the Finnish and Chinese cultures are considerably big, which are said to affect the cross-cultural consumer behavior in both countries. Specifically, in order to understand the consumer behavior in different cultures online, it is important to study the different cultures involved Davis et al. (2008, p.811). Further, the globalization or localization of webpages becomes a crucial decision for a company, as it can be directly linked to the success of an online shop launch in a foreign country.

1.2   Research problem and research question

It is said that companies that are utilizing e-commerce to sell goods to consumers in different countries, often face the challenge of "think globally, act locally", which is a saying used specifically in reference to companies internationalizing (Lo & Gong, 2005, p. 182). It can be said that market research should go into whether a company decides to globalize or localize the webpage when entering a new market. Zhang & Herring (2012, p. 431) argue that comparing the design and content characteristics of websites is a way to test whether globalization or localization is the most sufficient option to pursue.

The Moomin Characters are known globally, and the global fans of Moomin are able to purchase Moomin products in physical shops and online shops. Specifically, Moomin products are sold in online stores in places such as Finland, China, Japan, United

Kingdom, and many other locations across countries. Their online shop is found at Moomin.fi for Finnish consumers. The Moomin online shop platform is translated to suit different international locations, for example, in Germany as Moominshop.de, and in the UK as Moomin.co.uk. These shops around the world have the same online shop platform as in Finland, however, text is translated into different languages for each country. For example, in Germany and the UK they use a translated version of the Finnish online shop layout. However, in China, the Moomin online shop pages are localized to fit the Chinese consumer needs and preferences and the shop is therefore, on a different platform. The Moomin online shop is accessible through Tmall, which is said to be one of the larges e-commerce corporations in China and initiated by Alibaba Group Holding Limited (Lin et al., 2016, p. 515). The Moomin.cn webpage, run by Euroeat Oy, is not the actual online shop where Chinese consumers can make purchases, but rather the Chinese consumers need to go to the Tmall platform, where they can find the Moomin product pages to make purchases. This is because generally Tmall acts as a marketplace for several different companies and is widely used in China. Companies are able to create their own product pages within Tmall, where they can sell their products. Moomin has their own page in the Tmall platform.

Anderson & Srinivasan (2003, p.124) argue, that even the best design e-business models are said to fall apart without customer loyalty. They also highlight, that e-commerce companies have become increasingly interested in understanding and keeping existing customers. General e-satisfaction and e-loyalty of consumers has been researched by several scholars (Ludin & Cheng, 2014; Anderson & Srinivasan, 2003; Christodoulides & Michealidou 2010; Cyr et al., 2008), however as internationalization has become more common within e-commerce companies, there is a gap in research towards the cultural differences in not only the characteristics of culturally customized online shops, but also the effect culture has on online consumption. In order to internationalize through e-commerce from China to Finland or vice versa, it is important for businesses to understand how consumers from different cultural backgrounds react to different

characteristics of product pages when making purchases online, as this is directly related to the e-satisfaction and e-loyalty of consumers.

The aim of this research is to get a better understanding of how two different culturally customized product pages effects the consumer behavior of Finnish and Chinese consumers. Specifically, as Moomin Characters is known well in Finland and China, and the online shop has been culturally customized in China, it is of interest to research how the different characteristics of the pages (including layout, colors, and information) effect Finnish on Chinese consumers. There is extensive research on how cultural differences effect e-commerce and how globalization and localization of online shops intertwine with this (Cyr, 2008; Mittal 2005; Davis et al., 2008). However, there is a limited amount of research conducted specifically towards the comparisons between two cultures and how this effects the reactions towards different online shop characteristics. Further, the Moomin online shop platform in Finland and the Tmall shop in China will be used as a comparison of the localized product pages, which will be tested on both Finnish and Chinese consumers.

The study will compare the perceptions of Finnish and Chinese consumers towards the two different product pages and how the different characteristics of the pages influence the satisfaction and loyalty towards and online shop of participants from both Finnish and Chinese cultures.

In order to achieve the main purpose of the thesis, the main research question for this study will be:

What are the influencing characteristics in an online shop that affect consumer satisfaction and loyalty and how do these differ between cultures? Moomin online shop: Chinese and Finnish consumers

To further explore the considerable characteristics of a product page that influence consumers, the research question should be further broken down into research objectives. These objectives are necessary to provide clarity and direction towards the paper. The following objectives are set:

1. *To identify the cultural differences between Finnish and Chinese consumers.*
2. *To review the different characteristics of product pages on online shops.*
3. *To analyze the differences between Chinese and Finnish product pages and how it affects the interviewees.*
4. *To compare the online shopping behavior between Finnish and Chinese consumers.*
5. *To combine the findings and theoretical framework to assess whether the outcomes are supported by theoretical framework.*

1.3   Key concepts and definitions

Culture can be defined through many through multiple definitions. One of the many noteworthy definitions of culture comes from Hofstede (1970) through his extensive research and theories on culture. "Culture is the collective programming of the mind which distinguishes the members of one group from another" (Hofstede, 1970). The Cambridge Dictionary describes culture as "The way of life, especially the general customs and beliefs, of a particular group of people at a particular time" (dictionary.cambridge.org, 2022)

Consumer behavior is a broad concept with many different interpretations. Kotler (1994) defined consumer behavior as "The study of how people buy, what they buy, when they buy and why they buy". Further, Schiffman & Kanuk (2007) defines consumer behavior as "the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs.".

E-commerce is simply put defined by the Cambridge Dictionary as "the buying and selling of goods and services over the internet" (dictionary.cambridge.org, 2022).

Internationalization is defined by Welch & Luostarinen (1988, p. 36) as "the process of increasing involvement in international operations".

1.4   Structure of the study

This thesis will begin with an introduction to the study, where the background of the study and motives for the research will be presented. Further, it will represent the research question and the objectives of the research, after which the key concepts and definitions will be presented. The focus for this chapter is to give an introduction into the topic and aim of this research, as well as present the aim of the thesis.

The second chapter will introduce the literature review towards cross-cultural online consumer behavior. This will include theory towards culture and consumer behavior, all the while taking into consideration both e-commerce and internationalization. The literature review will introduce the main theories towards cross-cultural online consumer behavior and specify how different factors influence consumer perceptions. It will give insight into previous studies towards the topic and provide a base for the thesis.

The third chapter dives into the empirical part of the research, which will present the research method, methods of data collection, sample selection, and methods of data analysis. This will give an in-depth explanation towards how the research will be conducted and how the results will be analyzed and presented.

The fourth chapter will present the results of the study. This section will present the analysis of both the Finnish and Chinese online shop pages, as well as the results from the interviews held. Moreover, this chapter will include the discussion on the results, utilizing the literature review for support. Lastly, the fifth chapter will be the conclusion,

which will draw conclusions from the research and present limitations and further research. Followed by the conclusion, a list of references and appendices will be provided.

2 Literature review

The literature review builds a theoretical framework for the research and is split into three parts. The first part will focus on culture and cross-cultural consumer behavior. The second part discusses e-commerce and specifically, internationalization through e-commerce. Lastly, the third part online consumer behavior will be discussed through online shop design and consumer preferences.

2.1 Culture

Culture is a crucial topic when businesses consider entering a new market. Culture is defined in many different forms and has multiple different definitions. In other words, culture has many different aspects to it that branch out of the word itself. Moran R. et al. (2011, pp.11–12) viewed culture as a base for people to understand who they are and explanations towards their behavior. They mention that human behavior is driven by culture. Therefore, people from different cultures are prone to differ in behaviors and opinions. Specifically, companies internationalizing will inevitably face consumers with different behaviors and ways of thinking due to cultural differences.

Jahoda (2012, pp. 292–295) was able to sort definitions of culture into external, internal, or internal & external. He argues that culture comes from the environment of one, or one's perception towards culture. On one hand culture can be seen as the outcome of long-term historical experiences (Schwartz, 2009), and on the other hand culture can be defined as knowledge and learned routines of different behavior (Wyer et al., 2009). As a result of the varying definitions behind "culture", culture can be viewed through different lenses and analyzed through different aspects.

2.1.1 Cross-cultural consumer behavior online

It is important to note, that attitudes consumers have toward the Internet is affected by culture (Cyr, 2008, p. 49). Therefore, culture can be directly linked to online consumer behavior. Specifically, the need for companies to understand differences between cultures when internationalizing through e-commerce, becomes crucial for profitability.

Eroglu et al. (2001) argue that online consumer behavior is closely linked to different stimulus that arouses an individual. They created a S-O-R (Stimulus, Organism, and Response) framework, which presents the different factors related to online consumption. Online cues were grouped into high task and low task cues. High task-relevant cues were described as verbal content related to the information on the product (description, price, etc.), whereas low task-relevant cues were described as verbal content that was focused more on the visual aspects, such as colors, pictures, animations, and so on. This framework within itself focuses on the consumer behavior of people through atmospheric context, which indicates that there can be many different characteristics in an online shop that have different effects on the consumer.

Davis et al. (2008, p.811) found that it is relevant to understand a culture in order to understand the online consumer behavior on the Internet, as their studies resulted in different emotional responses from cultures to the same stimuli on webpages. Specifically, cultural values cause differences in the way consumers react to stimuli, resulting in different preferences towards webpage design across cultures. They emphasize the comparisons between collectivistic and individualistic cultures and how it can create strong differences within the preferences of online shopping. Individualistic cultures focus more on the responses to context, whereas collectivistic cultures focus more on the context, making them more sensitive to signs and symbols. Through their research, when exploring cultural effects on S-O-R framework (Eroglu et al., 2001), they found that people from a collectivist culture were more effected by low task cues than the people from an individualistic culture. Therefore, it can be said that people from collectivistic

cultures are more prone to be affected by the visual aspects of a product page than people from individualistic cultures.

It is important not to overlook general consumer behavior theories, as they help understand the reasons for which a person makes certain decisions. Consumer behavior in general is a broad concept, which consists of both external and internal influences. These influences also effect the consumer decision making process online. Leigh & Gabel (1992) indicate that a consumer's motivation for purchasing goods or services comes down to the representation that it gives to consumers and the social referent that the good or service is associated with. A social referent can be referred to as the behavior of people around you, for example, cultural norms. Therefore, it can be said, that culture directly impacts a person's consumer behavior both offline and online.

Moschis & Churchill (1978) highlight social learning to be a part of the behavioral patterns that constitute consumer behavior. The social learning theory introduced "socialization agents", which were emphasized to be one of the biggest influencers towards consumer behavior. These agents are people in a consumer's life, whom they have frequent interactions with, and they continuously pass on norms and motivations to the consumer. Culture can create a path around a consumer, where they learn to consume through external stimuli. With regards to online shopping, this means that general preferences for the outlook of an online shop can be learnt from social norms of how online shops should look and how they usually look. Culture plays a big role in what aesthetically pleases a consumer and what type of information an online shop should display.

Figure 1 by Moschis & Churchill (1987) represents the consumer socialization process, where social structural variables, including culture, is seen to be one key external influence that directly interrelates to the outcomes of the socialization process of a consumer. The agent-learner relationships combine the three components modelling, reinforcements, and social interaction in the socialization process. When growing up in a certain country, a person will mostly interact with people that share the same culture. According to figure 1, the learner will pick up on certain consumer behaviors through

modelling and interacting with people around them. Therefore, the online consumer behavior of a person is directly linked to the culture in which they were brought up in. Moreover, cultural norms then emphasize certain behavior that is expected of people in a specific culture.

Figure 1. A conceptual model of consumer socialization (Moschis & Churchill, 1978).

While values and behaviors of people from different cultures have a significant role in online consumer behavior, there is the side of technological use within cultures. The following chapter will give insight into the differences between technology usage in cultures.

2.1.2 Technology usage in cultures

Technology usage differs depending on the environment you are in. The differences between technology usage in different countries can be noticeable. As mentioned above, culture affects a person in multiple different ways. However, culture can aslo affect the way in which technology is accepted and adapted into daily routines. Davis (1985)

introduced the theory of the technology acceptance model (TAM), which is intended to improve the understanding of the user acceptance processes. It is also used among system designers to evaluate the successfulness of a new system before the actual implementation, as using the TAM, they can test user acceptance.

Figure 2 presents the pathway of how a user becomes motivated to use a certain system (Davis, 1985). The online shop features and capabilities are those that lead to the motivation for a consumer to utilize the online shop. When the motivation is created, the consumers will then actually shop in the online shop. Cultures, however, have different preferences to the features and capabilities of a technology system, which creates a certain motivation towards the online shop (Davis, 1985). The so called outside "stimulus" can be widely influenced by the culture of one. TAM proposes that the acceptance of IT is directly linked to perceived usefulness and perceived ease-of-use (Straub et al., 1997, p. 2). They go on to mention that the cultural differences between countries can affect the ability to adopt and utilize information technology.
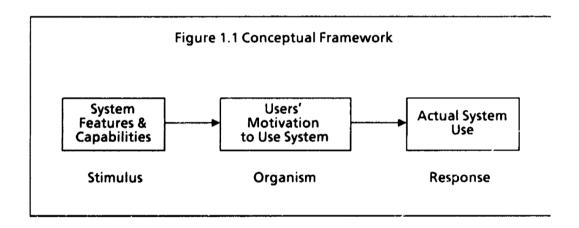

Figure 2. Conceptual Framework for TAM (Davis, 1985).

Technology acceptance models are based on the view of acceptance as an attitude towards technology (Davis, 1985), and as mentioned above, culture widely influences the attitudes and behaviors of a person, which can be linked to the attitudes different cultural groups have towards technology usage.

2.1.3 Hofstede's Model of Cultural Dimensions

As mentioned in the previous chapters, culture can be analyzed through different lenses. In this research the cultural differences between Finland and China will be analyzed through Geert Hofstede's cultural dimensions, with the intentions of getting a better understanding of the concrete differences between the two cultures. Hofstede defines five cultural dimensions; individualism–collectivism, uncertainty avoidance, power distance, masculinity–femininity, and long-term orientation. Callahan (2005, p 245) mentions, that Hofstede's model has been used in the research of Human-Computer Interaction, where the design of Web sites in different cultures is explored. Therefore, it can be said that Hofstede's cultural dimensions can be utilized in this research. The country comparison of Hofstede's cultural dimensions between China and Finland are seen in the figure 3. China has a higher level compared to Finland in power distance, masculinity, and long-term orientation, while Finland has a higher level compared to China in individualism, uncertainty avoidance, and indulgence (figure 3).
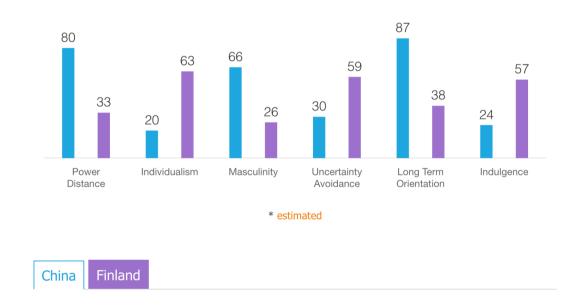

Figure 3. Comparison between China and Finland (Hofstede Insights, 2022).

Hofstede et al. (2010, p.92) highlight, that individualism–collectivism gives insight into the types of relationships within the culture. Individualistic cultures reveal loose ties between individuals and people in these types of cultures are expected to look after themselves and their families. On the other hand, a collectivist culture is described to be the opposite, where people strongly belong in groups and protect each other for loyalty. Kim et al. (2009) found that people in collectivistic cultures feel more comfortable with multiple presentations online, for example, animated graphics, and videos. On the contrary, they highlight that people from individualistic cultures prefer more straight forward pages with minimalistic features, as they feel more comfortable concentrating on one task at a time.

Uncertainty avoidance measures the degree to which people are comfortable and uncomfortable with uncertainty and ambiguity, as well as, to what extent they try to avoid these situations (Hofstede et al., 2010). It is closely linked to specific needs to rules and prescription behaviors. Figure 3 shows that uncertainty avoidance in Finland is higher than in China. When focusing on online shop design, this can mean that Finnish consumers are less open to standardized online shops as they may find that the different layout of the online shop causes uncertainty throughout the online shopping experience. On the other hand, Chinese consumers may be more able to quickly adapt to a new view and therefore, more accepting of a standardized online shop view. High uncertainty avoidance cultures should have a simplistic design with a limited amount of choice, while low uncertainty avoidance cultures should have a complex design with unlimited options (Mactavish & Jaworska, 2013, p. 178).

Hofstede et al., (2010) argue, that power distance is linked to inequality and authority in cultures. Hierarchy is a great example of the causes of high power-distance in a country. Mactavish & Jaworska (2013, p. 178) mention, that the higher the power distance is in a culture, the more structured and symmetrical the website will be. This means that as China's power distance is greatly higher than in Finland (figure 3), Chinese consumers are most likely to prefer more structured and symmetrical than Finnish consumers.

Callahan (2005, p.245) states, that cultures online shop pages with a lower score in power distance will have a more simplistic design. Therefore, it could be said that Finnish consumers are more likely to enjoy online shopping when the online shop has a simplistic design, and vice versa, Chinese consumers will enjoy a more structured and symbolic online shop design.

Masculinity-femininity in cultures is seen through masculine cultures being achievement and success driven, whereas feminine cultures are focused on care and the quality of life (Hofstede et al., 2010). Masculinity can be seen on the web through references to gender (Cyr & Head, 2013, p. 1365). Moreover, An & Kim (2007, pp. 189–190) found, that Sweden with a low masculinity value made no distinction in gender or age on webpages, whereas in Japan with a high masculinity value focused more on a specific gender.

2.2 E-commerce

Technology usage continues to grow throughout the years, creating a shift in the way people fulfill their day-to-day needs. The shift can be particularly seen in the way companies grow and do business. In today's world, E-commerce has become a commonly spoken topic throughout consumers and businesses. Laudon & Traver (2021) argue that e-commerce will take over traditional in store commerce by the year 2050, exemplifying the rapid rate the e-commerce is growing at. They mention, that the most the platforms behind e-commerce lie under the internet, the Web, and the mobile platform, all of which are platforms familiar to most. Therefore, it can be said that the future of consumption and businesses lies within e-commerce.

Mourya (2015, p.28) points out the incentives towards engaging in e-commerce, which can be viewed from different perspectives (figure 4). These incentives can be seen through not only the consumer perspective, but also the business perspective. On one hand the incentives focus on what engaged the consumers towards e-commerce and on

the other hand, the incentives are a way for a business to understand what different aspects of e-commerce engage consumers.

Figure 4. E-commerce engagement incentives (Mourya, 2015).

Firstly, the selection and value of not only product selections, but also competitive prices and customer support after sales. Specifically, when broadening our view towards international e-commerce, the product selection for consumers is almost limitless, because you can shop online in several different stores from several different countries, making it effortless to shop for products across the world. Secondly, the performance and service, where customers are provided with fast and easy navigation, shopping and purchasing, with the bonus of fast shipping and delivery. Thirdly, the look and feel, which refers to the overall attractiveness of the online shop and the different features that the page is surrounded by. Fourthly, the advertising and incentives focuses on the different special offers and discounts that consumers are provided with. Fifth, the personal attention, which can specifically be linked to personalized online shops for consumers that have different preferences. As it has been said, consumers from different cultures prefer for example different styles, colors, and layouts of online shops. Sixth, community relationships, which is directs its focus to the network that can be built around e-commerce, meaning the ability to chat online with company representatives and be a part of the

community. Lastly, security and reliability talk about the trustworthiness of products that you get online, which includes product information and order fulfillment.

Internationalizing through e-commerce might seem like an easy task, however research suggests otherwise. Tolstoy et al. (2021) found that internationalizing e-commerce forces companies to invest in market learning, technological developments, and marketing and all of these can be linked to one another, as for example a company will need to know their market to know what type of technological development is best suited for the specific country. These only being a few examples of what companies need to consider when internationalizing through e-commerce, the following chapter will give insight into internationalizing through e-commerce.

2.2.1 Internationalizing through e-commerce

The internationalization process of a firm, whether it's online or offline, is long and requires a lot of market research. Baum et al. (2013) discuss the barriers towards internationalization and mention, that in order for a company to internationalize at an early stage, it is recommended to have broad knowledge about the foreign market and customer needs. Lu & Beamish (2001) state, that one of the ways for a firm to grow is geographic expansion. They mention that in order to expand to international markets, knowledge and capabilities in the particular market should be researched. To further strengthen the need for market research when internationalizing, Hutchinson et al. (2009) found, that a barrier to internationalization is the inability to collect relevant research in the foreign market, leading to lack of market knowledge. Specifically, Grochal-Brejdak & Szymura-Tyc (2013) state, that of the primary groups of internationalization prerequisites is related to the development of the Internet and IT technologies. Therefore, it can be said that in order for a company to begin planning expansion into foreign markets, it is crucial to have strong IT support as technology is rapidly changing and developing.

Internationalizing through e-commerce is a slow process, which is justified through the differences between foreign markets and cultures, and the need to understand and have knowledge of the foreign markets and cultures (Luo et al., 2005). This process begins before the company enters a foreign market through e-commerce, but also continues after having entered.

In many ways, digitalization can ease the process of internationalization. As internationalization has become a key strategy for firms to expand, the process of digitalization can intertwine with this. Rossato & Castellani (2020) illustrate, that from a corporate perspective, digitalization is associated with being able to make existing products into digital variants. Creating innovative ways in which a company can digitalize their tangible products is crucial for a company when turning to digitalization. Digitalization should be considered by a business because it fosters growth and expansion as it is part of human life nowadays (Reis et al., 2018). Therefore, digitalization will in fact make the company more modern and attract the consumers that prefer shopping online.

Firms that have expanded globally, are said to live longer (Rossato & Castellani, 2020). As firms tend to look seek longevity for the company, the need to expand internationally will grow. In order to expand to international markets, knowledge and capabilities in the particular market should be researched (Lu & Beamish, 2001). To gain access to the external information of markets, it is crucial to have networks (Fuller-Love & Thomas, 2004). It is important to take into account internationalization of firms in general, because internationalizing through e-commerce does not take away all of the challenges that are linked to the internationalization of a firm. What makes internationalizing through e-commerce so appealing, is the possibility to reach consumers all over the foreign market rather than just one city. When expanding to a foreign market in the traditional way, a business will not be able to reach all consumers within the market at one point. However, although internationalizing through e-commerce might seem like the easy and fast option, most

E-commerce is surrounded by a large number of different factors that evaluate the different needs of consumers. Online shops are directly linked to the design of the webpage, the easy navigation, the flow of information and the security requirements, all of which important from the consumer perspective (Yen et al., 2006). With these in mind, considering the cultural differences aspect in internationalization through e-commerce, companies should find a way to understand the different cultural needs for consumers in foreign countries. As mentioned before, different cultures have different preferences towards designs of an online shop and what type of shops are easy to navigate. Therefore, internationalizing through e-commerce is a lot about the knowledge and understanding a company has towards the foreign market and consumers.

Johanson & Vahlne (1977) introduce the basic mechanisms of internationalization, which includes market commitment, market knowledge, commitment decision and current activities. They explain that the degree of commitment to a certain market is more considerable when the resources have the ability to be specialized to a specific market. The Uppsala model presents a cycle of activities that become are important in order to take the next step in internationalization (figure 5).
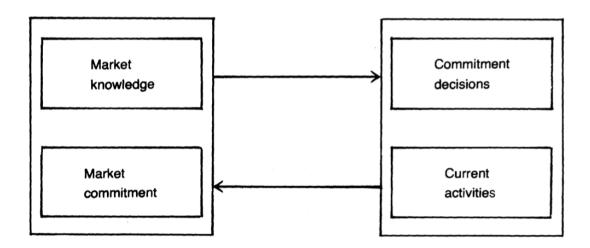

Figure 5. The Basic Mechanism of Internationalization – State and Change Aspects
(Johansson & Vahlne, 1977, p. 26)

Johansson & Vahlne (1977, pp. 27–29) impose, that market commitment factor focuses on the number of resources committed and the degree of commitment. In other words, the number of resources that are allocated to a certain market area is considered to show the amount of commitment to that certain market. Specifically, it is mentioned that the more specialized the resources are to that certain market makes the market commitment higher and although these resources could be utilized in a different market, they might not be profitable. Therefore, although creating a profitable online shop for Moomin in Finland might be a success in the Finnish market, it might not be profitable in a Chinese market if the online shop is standardized. This leads to the second aspect, market knowledge. Experiential knowledge is specifically the knowledge that is crucial, as it should be gained bit by bit through experiencing operations in a certain country. Market commitment and market knowledge are said to be intertwined, as market knowledge gives the general understanding towards the type of resources that should be allocated the market. In other words, in-depth and experiential knowledge of a market leads to better market commitment, which can be linked to profitability.

In general, current activities emphasizes the importance of differentiated products and both firm experience and market experience. Firm and market experience is the importance of a person being able to interpret information from both the inside of the firm and from the outside market (Johansson & Vahlne, 1977). There is emphasis on the importance of hiring someone with both firm knowledge, but also experiential knowledge from the specific market, as having market knowledge can lead to profitability, but to some extent the person should have experience and knowledge of the firm itself.

It is argued that all these basic mechanisms of internationalization are said to be linked to the profitability of a firm. Further, it might be a common belief, that general knowledge of a foreign market is crucial when internationalizing, but concrete experience is how a firm can get actual knowledge on how they can differentiate their product in the market and what resources are needed to fulfill profitability.

2.2.2 Opportunities

Not being able to truly connect with customers from the other side of the world can create a wedge between the company and the end-customer. However, Rust et al. (2010) highlight, that with such powerful technologies, companies have a unique opportunity to interact with customers directly. They mention that a company has the opportunity to collect and scatter through information about their customers from around the world, making it possible to tailor the products directly to the customers. Specifically, getting to know the customer and understanding their wants and needs becomes achievable in foreign markets.

Ross et al. (2017) discovered that new digital technologies provide opportunities that can provide one of the two types of digital strategy, which include customer engagement and digitized solutions. They illustrate, that the customer engagement strategy focuses on customer satisfaction, and providing services and customer experiences that eases a customer purchasing process. On the other hand, the digital strategy involves modifying a company's value proposition by combining products, services and data (Ross et al., 2017). Additionally, they add that this combines the competencies of a firm at the current stage with digital technologies which could provide the company with effective solutions, which include being able to internationalize in a way, where the company is able to keep up with customer engagement.

Research found that international e-commerce is driven by market changes and by institutional norms, as well as the general globalization of markets (Tiessen et al., 2001; Knight & Cavusgil, 2004). Therefore, as companies are looking to stay ahead of competition, internationalizing through e-commerce presents a huge opportunity to keep up with the changing and globalizing markets. Additionally, Knight & Cavusgil (2004) argue, that e-commerce is said to be a more cost-effective way for a firm to internationalize through information and communication technologies. The transaction cost theory considers all the costs related to the coordination of the production of a product or service (Williamson, 1987). This theory argues that e-commerce could reduce transaction costs, due to the electronic coordination of transaction through automating the transaction

processes and removing the transaction process in general (Molla & Heeks, 2007). Malone et al. (1989) argue that e-commerce saves a company in search costs. This is because the digital information and communication networks enable the buyer and supplier to communicate and trade information, cutting search costs. Moreover, reducing sunk costs by utilizing e-commerce improves a company's ability to respond to market opportunities in a more flexible way (Guercini et al., 2020). This can lead to a competitive advantage in a different continuously changing market.

In one way the logistics part of internationalizing through e-commerce can be seen as an opportunity for a company, because of the possibility to deliver a product to a consumer in another country in a fast manner. Raymond et al. (2005) highlight, that the continuously developing order fulfilment technologies have helped to connect both the customer experience and user interface to the logistics and delivery of online retailing. Because the logistical technologies are continuously developing, companies can utilize this to create a better online shopping experience for the consumer.

2.2.3   Challenges

As e-commerce continues to grow and more and more companies are beginning to utilize it, therefore competition keeps getting stronger. Firms are continuously developing their online stores to please consumers and make the process of shopping fast, cheap, and easy. Although e-commerce provides many opportunities for a firm to internationalize and expand in a cost-effective, faster, and a more customer engaging way, there are many challenges come with e-commerce and specifically, international e-commerce.

Many times, firms can face the challenge of how they can make online shopping the best possible experience for a customer. A lot must go into understanding the consumer perspective in not only a local way, but also in an international culturally different way. In retail stores, the shopping experience is quite personal, and consumers today look for a holistic purchasing experience (Guercini et al., 2020). In order to make the online

shopping experience unique for all consumers, the company needs to invest in a lot of market research. The question of whether homogeneous online shop pages work across the international markets, or whether pages should be localized to meet specific customer needs.

Logistics play a key role in e-commerce, as the importance transporting a good to the consumer is high. Therefore, it can be seen an opportunity, but also a challenge for a firm. A consumer needs to trust that once they purchase a product from an online shop, it will be delivered to them in a certain amount of time and as one piece. Cho et al. (2008) found that the logistics capability of a company is linked positively to the performance of the company in the e-commerce market. Specifically, in an international market, logistics can be a more complicated process. In today's world of e-commerce, consumers expect cheap and fast deliveries (Tokar et al., 2021). Therefore, companies are expected to keep developing their delivery side of the process, which can also create a differential advantage. For international logistics, this can be seen as a challenge, as the transportation of goods to the other side of the world can be costly and time consuming.

2.2.4 To localize or globalize an online shop

It can be hard to forecast whether launching a standardized view of an online shop in another country will be successful or whether the consumer preferences in another country are so different, that in order to launch an online shop successfully, the company should invest in creating a localized view of the online shop.

Levitt's (1984) discussion on globalization emphasizes that technology causes consumers across different markets towards the same common goals. Globalization is seen as the possibility to copy and paste an online shop in a standardized view and launch the standardized view to international markets. For firms this is the most appealing approach, as it saves time, effort, and costs. However, research shows, that many of the times a standardized view of an online shop can drive consumers away from making purchases (Mittal, 2005; Alhorr et al., 2010).

Cyr (2004) highlights that localization is when a product or service is adapted to a specific culture, having the preferred colors, translations, and components, which appeals to the specific culture. Mittal (2005) argues, that having a standardized product or service is not enough, as it should be specifically customized to fit the cultural appeal. Henceforth, for a webpage to truly appeal to a foreign market, it should be customized to their preferences. He goes on to mention, that the true customization of a webpage can be created through extensive research. Localizing a webpage can be said to be quite time consuming and requires resources, making it more cost worthy. This might be one of the reasons, why companies prefer to create a standardized webpage view.

2.3   Consumer behavior

Consumer behavior is a broad concept, which consists of both external and internal influences. Leigh & Gabel (1992) indicate that a consumer's motivation for purchasing goods or services comes down to the representation that it gives to consumers and the social referent that the good or service is associated with. A social referent can be referred to as the behavior of people around you, for example, cultural norms. Therefore, it can be said, that culture directly impacts a person's consumer behavior both offline and online.

2.3.1   Online trust and satisfaction

Moorman et al. (1993, p. 92) defines trust as being able to rely on the exchange partner with confidence and vulnerability. Whereas satisfaction is defined as the consumers evaluation of the perceived differences between the performance of the product or service and the expectations of the product or service before the consumption of it (Tse & Wilton, 1988). Sfenrianto et al. (2018) found, that consumer trust and satisfaction are both crucial to ensure a positive outcome for an online shopping experience. Customer satisfaction can be examined through two different categories: service encounter

satisfaction and overall customer satisfaction (Rangaswamy et al., 2003, p. 156). They describe service encounter satisfaction as being transaction specific, focusing on attributes related to the service encounter, and overall customer satisfaction as relationship specific, which focuses on factors occurring across transactions. In other words, customer satisfaction is not only about the product itself, but the experience of purchasing the product. Moreover, Al-Adwan et al. (2020, pp. 292–298) found that both satisfaction and trust towards an e-commerce website is positively linked to the motivation of consumers to be more loyal, which is directly linked to the likelihood of repurchasing. Additionally, they point out that the more secure the website seems, the more likely customers are able to achieve trust and satisfaction from the website.

Shanker et al. (2003) composed a conceptual model of the online medium, which entails the relationship between customer satisfaction and loyalty. It displays the influencing factors that lead to overall satisfaction and loyalty. The amount of information on an online shop is said to lead towards overall satisfaction of the customer experience. The general process is seen to finish and result in customer loyalty and once customer loyalty is received; the whole process starts over again. This suggests that a loyal customer will come back to shop again, emphasizing the importance of customer loyalty in general. The main influencing factors towards overall satisfaction included depth of information on the website, interactivity of the website, prior experience with the service, and ease of obtaining information. All of which, are key factors for an online shop to have, in order to have satisfied customers.

Figure 6. Path analysis (Al-Adwan et al., 2020)

Al-Adwan, *et al.* (2020, p. 296) researched the influences towards online customer satisfaction (OCS) and online customer trust (OCT) as shown in figure 6. Their research revealed that perceived security (PS), perceived information quality (PIQ), and perceived privacy (PP) were influencing factors to both online OCS and OCT, whereas user interface quality (UIQ) was only an influencing factor to OCS.

Wyer et al. (2009, p. 412) referred UIQ to the atmosphere of the online shop and argued that there are four components that make the online shop atmosphere is composed through. Firstly, convenience, which focuses on how easy it is to navigate and find information in the online shop. Secondly, interactivity, which emphasizes the need for creating some sort of interactivity between customers on the online shop. Thirdly, customization is where the online shop is tailored to the certain group of consumers. Lastly, character, which focuses on the amount of personality within the shop (colors, graphics, fonts, etc.). Further, while taking into consideration firms that are entering international

markets, means that the customization and convenience preferences can be very different.

2.3.2 Cross-cultural online shop design

Research has indicated that the website design, as well as online trust and security are perceived differently depending on the cultural background of the user. Cyr & Trevor-Smith (2004, pp. 1200–1201) presented seven key web site design characteristics that are all impacted by culture, which include language, layout, symbols, content and structure, navigation, multimedia, and color. Language is crucial, as it is said to be tricky to be able to control how communication online is perceived in different cultures. For example, the quality of translation could become an issue for standardized websites with different language options. Therefore, the translations should be made with a native speaker to avoid miscommunication. Navigation highlights the number of navigations tools, menu formats, and search capabilities. Both the Finnish and Chinese online shop has the search bar at the top of the page, and with contact information at the bottom of the page.

Cyr & Trevor-Smith (2004) emphasize, that layout considers banner placement, menu placement and other differing characteristics in different cultures. The content and structure refer to information and features provided in the page and the help functions provided. In addition, it considers the amount of space used for advertising, web contents, and graphics. Multimedia emphasizes the use of videos, sounds, and animations. Lastly, color refers to the colors that different cultures prefer on a website.

2.4   Summary of the literature review

This thesis aims to provide insight into how cultural differences between Finnish and Chinese consumers affects their satisfaction and loyalty towards an online shop. The theoretical framework provides an understanding of previous literature related to culture and how cultural differences are directly linked to consumer behavior and online trust and satisfaction towards online shops. Further, the theoretical framework dives into internationalization through e-commerce, focusing on the consumer behavior side of e-commerce.

Culture is evidently a crucial aspect towards internationalization through e-commerce, as it influences consumer behavior online. People from different cultures have different responses towards certain characteristics on online shops (Eroglu et al., 2001), which emphasizes the importance of online shop design. Different findings and theories on culture and its effect on consumer behavior are highlighted because it gives important insight into how Finnish and Chinese consumers might react to different characteristics on an online shop. Moreover, in order to understand how the cultural differences can affect preferences, it is important to understand how consumers learn to consume. The consumer socialization process by Moschis & Churchil (1987) argues, that consumers learn to consume through modelling and interacting with people around them.

Findings on e-commerce and internationalizing through e-commerce are mentioned in the literature review. E-commerce engagement incentives (Mourya, 2015) are highlighted, as it is crucial to understand the general incentives consumers have towards shopping online. This can be linked to the first section of the theoretical framework, as the preferences consumers from different cultures have towards these incentives will differ. Additionally, the Uppsala model (Johansson & Vahlne, 1977) clarifies the need for market research when internationalizing, which also stresses that the online shop in one culture might not appeal to consumers in another culture, hence the need for market research. A crucial decision companies need to make when internationalizing through e-commerce is whether to localize of globalize, because it has a big effect on

profitability. It is even said that standardizing a shop in other cultures might even lead consumers away from making purchasing decisions (Mittal, 2005; Alhorr et al., 2010), which is why companies should understand consumer behavior online and do the needed market research to understand the cultural preferences.

Lastly, previous literature on online trust and satisfaction, as well as online shop design are presented. Al-Adwan et al. (2020) created a path analysis of the effects towards online customer loyalty. The different components in the path analysis give a great general understanding of the different online shop characteristics that effect the satisfaction, trust, and loyalty the customer has towards an online shop. Cyr & Trevor-Smith (2004) present different website characteristics that are impacted by culture. These can be directly linked to the path analysis as the different characteristics can be categorized into the themes provided by the path analysis.

3 Methodology

This section aims to introduce the materials and methods used to conduct the research. It will provide a general overview of the research method and its suitability for this specific research. Further, the methods of data collection, sample selection, and data analysis will be discussed.

3.1 Research method

The goal of this research is to find out how cultural differences between Finland and China affect purchasing decisions online. From this research, the aim is to understand how the differences between the Finnish online Moomin shop and the Chinese online Moomin shop effects the perceived trust and satisfaction and therefore, the loyalty of Finnish and Chinese consumers. This research breaks down the online shop components into three components: security & privacy, content & structure, and images & multimedia. Additionally, internationalizing digital firms will get insight towards the extent to which cultural differences have on consumer loyalty, and whether localizing a webpage in certain cultures could lead to better profitability.

Research studies are generally conducted through either qualitative or quantitative methods. Quantitative research methods emphasize explanation, testing of hypothesis, and statistical analysis, whereas qualitative research methods are more focused on interpretation and understanding (Eriksson & Kovalainen, 2015, p. 4). The quantitative research method examines effects of certain circumstances on a dependent variable in numeric ways (Laksham et al., 2000). Krishnaswami & Satyaprasad (2010, p. 5–7) highlight, that quantitative research methods involve measuring data and is based on quantity. The Data is collected mostly through questionnaires or surveys and analyzed using statistical tools. On the other hand, qualitative research puts emphasis on the qualities, processes and meanings of the research that are not examined or measured through the quantity or amount of something (Denzin & Lincoln, 2011). They mention that it

allows you to get answers from the perspective of the people being studied and from this, it gives you a better understanding of the meanings behind their behavior.

As the aim for this research is to study the online cross-cultural consumer behavior of Chinese and Finnish consumers and their perceptions towards the two localized Moomin online shops, both qualitative and quantitative approach will be used to conduct this research. Hennik et al. (2020), have gathered the key points to the qualitative research which includes reasoning to why a researcher should use the qualitative method.

- Objective of the qualitative is understanding of behaviors, beliefs and motivation.
- The purpose of the qualitative research understanding, why? How? what is the process?
- What are the influences of context?
- Study population consists of a small number of participants selected with reason.
- Data collection methods can be, in-depth interviews, observation and group discussions
- Analysis is interpretive.
- Outcome is to develop an understanding, to identify and explain behavior, beliefs or actions.

Creswell et al. (2007) imply that qualitative research can be implemented through five different designs. From the five designs, the most applicable for this research was the case study. They define the case study as research where it is possible to get an in-depth understanding on different respondents' cases and obtain insight on the issue or case researched. They list the characteristics of the case study research to be taken place through interviews, observations, documents and artifacts. For this research, both interviews and observation took place. Further, Creswell & Poth (2016) point out features of the case study as being:

- Identification of a certain case that is described and analyzed.
- Data collection includes interviews, observation, documents and audiovisual

- material.
- The generation of the case study is involved with identifying themes, which include finding similarities and differences between the different cases researched.
- Approaches towards the case study include using multiple cases to analyze and compare.

Further, Kovalainen & Eriksson (2016, pp. 131–134) imply that the case study research is divided into two types of case studies, intensive and extensive case studies. The intensive case study research aims to focus more on an individual case and understanding it from the perspectives of people involved in the case. Whereas the extensive case study highlights developing, elaborating, or testing theory through attaining common patterns and mechanisms. Therefore, the chosen method for this research is the extensive case study, as the aim is to find common behaviors and preferences between the two groups of people from culturally different backgrounds.

Secondary data analysis is defined by Glaser (1963, p. 11) as "the study of specific problems through analysis of existing data which were originally collected for another purpose". Smith (2008, pp. 4–5) presents secondary data to be numeric or non-numeric, where the non-numeric is qualitative secondary data. Data can be retrieved through secondhand interviews, documents, or photographs. For this research secondary data will be used through photographs of the Finnish and Chinese Moomin online shop pages. The online shop pages will be analyzed through the key web site design characteristics mentioned in theory above by Cyr & Trevor-Smith (2004, pp. 1200–1201). The analysis will focus on (1) the layout of information, (2) the content & structure, and (3) multimedia and colors. This will present the significance of differences between the Finnish and Chinese online shop pages.

The above research methods were chosen in order to gain knowledge on the online cross-cultural consumer behavior of Finnish and Chinese consumers.

3.2   Methods of data collection

For the quantitative research section, questionnaires will be used. This will be in the very beginning of the interview, where respondents are able to study both the Finnish and Chinese online shop pages. Participants will be given a set of three tasks, asking them to find certain information from both online shops. While respondents are studying the pages and completing the tasks given, they have a short questionnaire to fill out, to support the analyzation of both pages for respondents and allow participants to give their first impressions. All respondents will fill out two of the same questionnaires for both the Finnish and Chinese online shop pages.

Patton (2002) implies that qualitative research consists of three different kinds of data forms, which include (1) in-depth open-ended interviews, (2) direct observations and (3) written communications. As Patton (2002) describes, in-depth open-ended interviews allow an interviewer to get direct quotations from the interviewees about their experience, opinions, feelings and knowledge. In this research, it is crucial to get an understanding of what the interviewees experience during the consumption of certain products, and what feelings they receive through the purchase of family influenced products.

The interview method chosen for this research is the semi-structured interview. Semi-structured interviews have key questions that will be asked from all interviewees; however, this method is flexible in a sense where it is possible to go into more depth with a certain question (Gill et al., 2008). This will give the opportunity to better understand reasons the cross-cultural online consumer behavior and go more in-depth on how different components of the online shops effect customer satisfaction, trust, and loyalty. The semi-structured interview consists of a set of questions asked from each respondent in order to guide the interview, however, it also allows interviewees the freedom to conversate about what is of importance to them (Hesse-Biber & Leavy, 2010). Therefore, this creates an atmosphere where participants can go in-depth on their preferences and how these affect purchasing decisions. Semi-structured interviews

will not only give the interviewee the opportunity to gain a specific understanding of the influencing factors, but also give interviewers the possibility to express themselves more freely.

The links to the Finnish and Chinese Moomin online shop page, as well as the tasks and short questionnaires will be sent to respondents through email. At the start of the interviews, each respondent was asked consent to record the interview, as well as to share their screen during the completion of the tasks and filling out the questionnaires. This is so that if there is any trouble finding some of the information in the tasks given, the interviewer can help. Participants will be asked to complete three tasks, while looking through both the Finnish and Chinese Moomin online shop pages. The tasks asked respondents to find different elements or information on the pages. After completing the tasks, they filled out the questionnaires. The questionnaires are mainly there to help the respondents remember their first impressions of specific elements on the pages. These can be found in appendix 2. After looking through and comparing both online shops, they were interviewed about the differences and preferences of the shops. Throughout the interviews, respondents were allowed to have both pages in front of them.

3.3   Sample selection

The sample selection for a qualitative research is described to be theoretically driven (Curtis et al., 2000). Moreover, they mention, when selecting the sample methods, they should provide the opportunity to make analytic generalizations. This can lead to the reformulation of the theory. Taherdoost (2016) defines the sampling process as a way to clearly define the target group, select a sampling frame, choose a sampling technique, determine the sample size and collect the data.

Non-probability sampling is a technique where the sample is selected through subjective methods, meaning that the selection of respondents will not be chosen at random (Etikan et al., 2016). Further, the chosen approach for the research of the study is purposive sampling. Purposive sampling is defined by Etikan et al. (2015, p. 2) as the choice

of participants for the sole purpose that they possess certain qualities and experience. The participants were divided into two groups and both groups shared the same cultural background. Further, all participants had grown up in their home country, building a strong sense of the countries cultural background for all participants.

A sample of ten respondents were chosen to research cross-cultural online consumer behavior. The sample of ten were divided into two sample groups, S1 and S2, both of which having five respondents (table 1). The respondents in S1 are from Finland, all of whom have a Finnish cultural background, and the respondents from S2 are from China, all of whom have a Chinese cultural background. All respondents live and have grown up in their home country (Finland or China). The reason for this is to ensure that all participants have adjusted to the culture of their home country, and it has truly been embedded in them.

Table 1. Participant information.

Interviewees	Nationality	Sample Group
Interviewee 1	Finnish	S1
Interviewee 2	Finnish	S1
Interviewee 3	Finnish	S1
Interviewee 4	Finnish	S1
Interviewee 5	Finnish	S1
Interviewee 6	Chinese	S2
Interviewee 7	Chinese	S2
Interviewee 8	Chinese	S2
Interviewee 9	Chinese	S2
Interviewee 10	Chinese	S2

Interviews were held between November 11th – December 7th of 2022. Interviews for each respondent was help separately through a Zoom or Teams call. The interviews took about 30-60 minutes per respondent. Interviews with Chinese participants were in English and with Finnish participants the interviews were in Finnish. Finnish participants felt more comfortable with using their mother tongue language, therefore creating a comfortable atmosphere for participants, and increasing the validity of the answers. The occurrence of interviews was on the following dates and times:

- Interviewee 1: November 11th, 2022, on Zoom from 15:00–15:52

- Interviewee 2: November 23rd, 2022, on Zoom from 18:00–18:50

- Interviewee 3: November 24th, 2022, on Zoom from 16:00–17:00

- Interviewee 4: November 25th, 2022, on Zoom from 10:00–11:00

- Interviewee 5: December 1st, 2022, on Zoom from 13:00–13:45

- Interviewee 6: December 3rd, 2022, on Teams from 10:00–10:50

- Interviewee 7: December 4th, 2022, on Zoom from 10:00–10:45

- Interviewee 8: December 5th, 2022, on Zoom from 9:00–10:00

- Interviewee 9: December 5th, 2022, on Zoom from 17:00–17:40

- Interviewee 10: December 7th, 2022, on Zoom from 9:00–9:40

The next section will focus on the methods of data analysis. Specifically, the use of interview data will be discussed.

3.4 Data analysis

The questionnaire consisted of a set of seven statements, which participants answered to on a scale of 1–5, one being strongly disagree and five being strongly agree. The same questionnaire was completed twice, once for the Finnish online shop page and once for the Chinese online shop page. The data received from the questionnaires was then analyzed using Microsoft Excel, providing numerical data. As there was a larger amount of qualitative data collected, the quantitative data acted as support for the qualitative data.

After having held the interviews, which were recorded, they were transcribed into written format. Additionally, some of the interviews were translated from Finnish to English. When analyzing data, it is crucial to understand which parts of the interview is relevant to the research and which data is irrelevant and should be eliminated from the research (Roulston, 2014). Therefore, when beginning the data analysis, the parts from interviews which were irrelevant to the study were eliminated. As Roulston mentions, this is called

the data reduction phase, and the researcher has reduced the data into the parts which are relevant to the research. In order to understand the data and link it to the theory, the data should be reorganized and categorized (Roulston, 2014). After picking out relevant parts of the interviews and observations, the results were categorized into the topics resembling the interview guide that arose from discussions:

- Culture & online consumption
- Percieved security & privacy
- Infromation quality
- Interface quality

Kondracki et al. (2002) describe content analysis as a way to systematically analyze messages in different forms of communication. They point out, that content analysis is about coding raw messages, which happens through organizing information in a way where it becomes clear to understand and interoperate. The two main approaches to the content analysis are the inductive approach and deductive approach (Kondracki et al., 2002). The inductive approach is used for the data analysis of this research. They state that the inductive approach focuses on finding categories, key words, and themes within the communication messages. Therefore, having held the interviews, the text will be transcribed sorted into the above-mentioned categories and themes.

4   Results and discussion

This section presents the results of the ten interviews that were held. First, the results of the interviews will be discussed. The results are presented in two sections, the first section present the analysis of both the Finnish and the Chinese online shop pages, and the second part will discuss the results from the interviews. Lastly, the interviews will be summed up and analyzed.

4.1   Online shop differences

The differences within the Chinese and Finnish online shop pages are very visible and noticeable (pictures 1 & 2). Specific components on online pages were chosen, through which to compare the differences between the Finnish and Chinese shops.

The differences between the online shop layouts are very visible, with one being vertical and the other having a mix of both vertical and horizontal. The layouts of the shop pages are compared below (table 2).

Table 2. Differences between Finnish and Chinese online shop layouts (pictures 1 & 2).

Finnish online shop	Chinese online shop
- Menu at the top of the page - Product pictures located at the left side of the screen, while "add to cart", and short product description/story located next to the product pictures on the right - Vertical layout - The bottom of the page includes featured products	- Menu at the top of the page - Chopped into vertical sections in the following order: 1. product pictures/videos and "add to cart" 2. Featured products 3. Product specifications 4. Customer reviews (if any) 5. Product details

Further, there are great differences between the advertising, web contents, and graphics (table 3). The Finnish shop does not include any advertisements, while the Chinese page puts more focus on including advertisements.
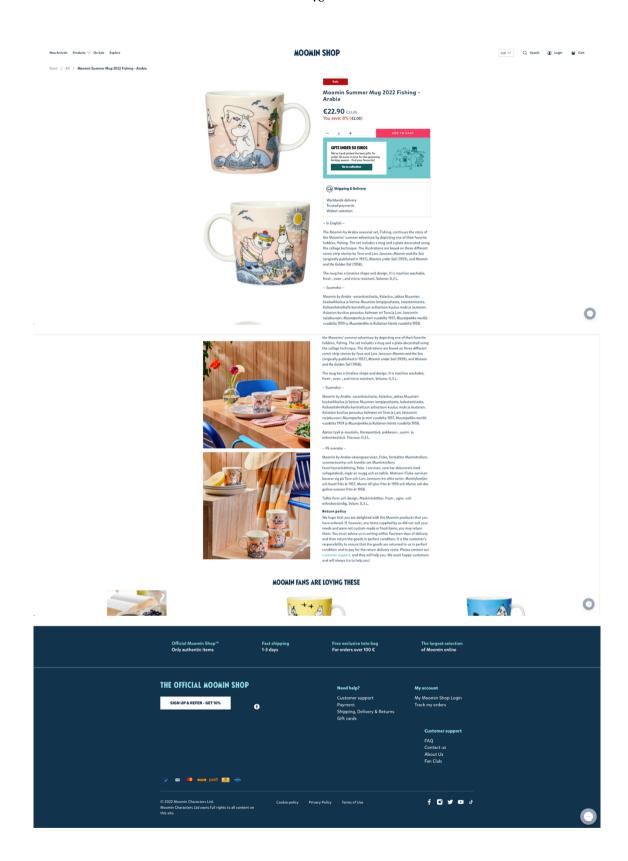
Table 3. Differences between online shop content and structure (pictures 1 & 2).

Finnish online shop	Chinese online shop
- Search bar on the top of the page - Advertising space at the bottom for "featured products", seen only when scrolling down - Short description on delivery terms - Mostly graphics with short descriptions including volume of the product	- Search bar on the top of the page - Advertising space with "featured products" on the very top of the page, in the middle of the page, and at the end of the page - Graphics with a lot of descriptions - Moomin history section, which tells the story of Moomin - Product measurements and volume - Delivery description in full depth - Product maintenance descriptions - "Passed the national standard test" -certificate - Moomin authorized certificate

Although the colors on the webpage are similar due to representing the same brand, the colors on the Chinese page are brighter than the colors on the Finnish page. In general, there are significant differences when focusing on the multimedia and colors of the page (table 4).

Table 4. Differences between multimedia and colors (pictures 1 & 2).

Finnish online shop	Chinese online shop
- 4 pictures (front and back of the cup & 2 pictures of the cup in use - Main color is dark blue	- Many pictures of the front and back of the cup & bottom of the cup - Several pictures of the cup in use - Pictures of other products from the same series - Main color is bright blue with a lot of red

Picture 1. Moomin shop product page (The Official Moomin Shop, 2022).

Picture 2. Tmall Moomin shop product page (Tmall Moomin shop, 2022).

4.2 Interview results

Results from the interviews revealed the opinions of both Finnish and Chinese consumers, when comparing the two online shop pages. In the following section the results of the research will be displayed and are categorized into themes.

Culture and cross-cultural consumer behavior. The effects of culture on general behavior and attitudes, as well as the effect on consumer behavior were discussed with participants. They were asked to share their thoughts on how strongly they feel that culture guides their attitudes and behaviors. Most hadn't thought of it too much before the interview and when giving it some thought, they had their own realizations on how much culture effects their basic day-to-day behavior and attitudes. On the other hand, some participants couldn't pinpoint which behaviors come from the culture but were sure that a lot of daily behaviors were affected.

> *"Culture is a big part of how I behave and think on a daily basis. With behavior I mean that my culture shows me what is accepted behavior and what is unacceptable behavior. Therefore, I act in accordance with what is accepted by the culture. Additionally, it has a big influence on how I for example raise my children, and also how I interact with different people." – Interviewee 4*

> *"I don't think I have ever thought about it, but having lived abroad, I notice that interacting with people from different countries is very different. In Finland there is a certain way to interact with people that is the cultural norm and then when I interact with someone from a different country I notice it very strongly." – Interviewee 5*

> *"I really see how clearly culture effects the way in which people act. The way in which I think and interact with people is very culture based, because I have grown up to fit different norms." – Interviewee 6*

> *"I think within culture there are also generational differences, which makes me even more aware of how culture guides me. I think mostly I can see that the different mannerisms in our culture really guides me in the way I behave." – Interviewee 9*

When discussing how participants felt that culture guides their consumer behavior, all participants were quick to point out that culture guides their consumption habits strongly. Chinese consumers were highlighted that different shopping festivals, which are common in China, is something that encourages them to shop, because it is the norm to shop during those times.

> *"When thinking about an in-store shop, I like the layout to be a certain way. For example, if the shop is too crowded and the space has been maximized, it puts me off from purchasing anything. In Finland the stores would never be like this, because the shops usually have similar layouts, with a simplistic atmosphere, which makes me feel calm." – Interviewee 1*

> *"It's not that I only purchase Finnish products, but I do tend to gravitate mostly towards them. They are most familiar to me. Also, a Finnish store is always clean and simple. This gives gives me motivation to purchase something, as I can focus on one product at a time." – Interviewee 2*

> *"I feel like in China I have been used to purchasing a lot of products that I don't need, which I think is common within our culture. However, when I have been working with people from different cultures, I can see that the consumption habits are different, as they usually only purchase products they need. In China there are a lot of shopping festivals, which encourage people to buy a lot of things, so I guess because these shopping festivals here are so common, the really encourage to purchase things I do not need." – Interviewee 6*

> *"I really enjoy online shopping. In China there are so many shopping festivals and a lot of sales within the year that encourages me to go online to shop. Also, I feel like I do a lot of seasonal shopping, for example, when it's the new year, I feel the need to purchase something, whether it's for myself or a gift for a friend. This is when all my friends are also shopping and showing me what they have purchased." – Interviewee 10*

Online consumption. When asked about general consumption habits, most participant enjoyed purchasing from online shops, as it was faster and more convenient. Finnish participants liked to use both their phones and their computers for shopping, whereas Chinese consumers gravitated only towards their phones.

> *"It depends on what I purchase. If I am purchasing a basic product that I know from before, I know that if I order it from online, then I will get the product as I*

know it will be. However, if I am purchasing a product I don't know, then I would like to see it first and decide in the store, where I can feel the texture and quality." "I use the computer mostly, because it is easy to use, fast, and I can clearly search for different products. The bigger screen also helps." – Interviewee 3

"It's kind of half and half. I think it depends a lot on the product. If I am purchasing shoes, I would rather go online, because I know what size I am and it's clear. If I am purchasing clothes, then I do like to go the physical store. If I was purchasing something for my home, for example cutlery, then I would purchase from online." – Interviewee 5

"I always use my phone if I already know the product. If it's something I have no idea about, then I might go to the computer to dig for more information, but then I usually go to my phone to purchase it." – Interviewee 7

"I use my phone only. There are so many apps for everything you need, so I would never go to the computer to purchase anything that I can find on my phone. I can do everything on my phone." – Interviewee 8

There was also a discussion on which characteristics on an online shop were most important to participants when purchasing online. Finnish respondents were more interested to find the specifics of a certain product, for example, measurements of a product and the sizing of a product. Additionally, Finnish consumers emphasized the importance of the general feel and look to a page. On the contrary, Chinese consumers mostly highlighted the need to be able to read consumer feedback and to have extensive product details. Additionally, almost all Chinese consumers pointed out that they look for whether the page is genuine through product information on the page.

"This also depends on what I am purchasing. For example, the technical details are interesting too, I want to know the measurements of the product. I don't usually read the product description too closely, because I am more interested in the straight facts and specs." – Interviewee 3

"The most important for me is to know that the product is genuine and not fake, therefore, I need to see that the brand has the license to sell the products. The other consumer comments are really important here, because it shows me whether consumers have received the product and whether it is genuine." – Interviewee 10
"The product needs to be the authentic product, so all information about the authenticity is of great importance and this is what I look for on pages. For this,

the consumer feedback and comments section is something I always look for. Customer service is also really important, and I always look for this. If the customer service is bad, then I will not purchase the product".

Perceived security and privacy. Participants were asked questions about the perceived security and privacy of both online shop pages. All Finnish participants felt that the Finnish online shop was more secure, as the page was consistent with the font, pictures, and language. Additionally, Finnish participants felt that the Chinese page was too crowded and had too many distractions from pictures and colors, which made participants feel that it was not as secure. A few also mentioned the importance of language. Vice versa, Chinese participants felt that the Chinese online shop page was more secure, because of the extensive amount of product information and consumer reviews. However, Chinese consumers did also find that the Finnish page was secure, as it was clearly owned by the Moomin brand.

"I don't think I would purchase from the Chinese page. It doesn't look too trustworthy to me. I would purchase form the Finnish page, because it's simply and clean, which builds trust for me. There is too much happening on the Chinese page, and I cannot focus on the product itself, which then makes me not trust the page" – Interviewee 2

"The Finnish page seems trustworthy in all areas. The Chinese page does not give off such a trustworthy feel, as my eyes can't relax on this page. There is so much happening and too many colors, so it does not give me a trustworthy feeling. There are too many other product advertisements, that I cannot focus on the one I wish to purchase" – Interviewee 4

"I wouldn't say that the Finnish page is not trustworthy, but I would say that there is information missing, that makes it less trustworthy. You can't for example have a dialog with customer service, but in the Chinese page you can chat with customer service, and they will give all the help needed, which is important when gaining trust towards the page. This is why I feel the Chinese page is more trustworthy compared to the Finnish page." – Interviewee 8

"If you go to the Finnish page, I can't find any consumer comments on the product. In the Chinese page you can find the description and certificates of the page and on the bottom, there are the consumer comments, which is everything I need to get trust towards the page." – Interviewee 10

Information quality. Participants were asked about how easy it was to find information and the quality of the content. Finnish participants found that all the information needed was found from both pages. A few even found that the product description table on the Chinese page was easier to read, rather than on the Finnish page, as all the product information was in text. However, all of them felt that the Chinese had too much unnecessary information. Chinese participants felt that information was easier to find on the Chinese page, as most of the information was in pictures. They also felt that the Chinese page had better information quality, as it explained the products in a more in-depth way. They felt that the Finnish page did not have enough information.

> *"In the Finnish page, the simplicity stands out to me. I feel that they are selling the one product and none of the information was hard to find, because it was found in one bunch. There is so much excess information on the Chinese page, which for me, is not needed and it's not focusing on the essential information. Information wise I would say less is more." – Interviewee 3*

> *"In the Finnish page everything was very easy, because all the information was written in a compact form and in one place. It was a little harder to find information from the Chinese store compared to the Finnish, but at the end of the day all the information was there to find on both. The Chinese had some information in pictures, which made it harder to find." – Interviewee 5*

> *"I thought overall that the Chinese page had more information that was in beautiful pictures, which made it easier to find. It is better to have the information in pictures rather than a text. It even had pictures showing the bottom of the cup, so I think in general they had much better information quality then the Finnish page." – Interviewee 9*

Interface quality. Participant were asked to rate the overall quality of the page, which included the navigation, colors used, and visual components. Finnish participants felt that the Finnish page was easier to navigate to, while Chinese participants felt that the Chinese page was easier to navigate through. Finnish participant mentioned that there wasn't any excess information, and the page was short and simple, making it easier to navigate through. On the other hand, Chinese participants felt that because the layout was so familiar, it was easier to navigate through the page. It is important to point out,

that consumers are used to a certain layout in online shops, which gives familiarity to the page and eases the navigation.

> *"It was easy in the Finnish page, as the layout was familiar, and the navigation was straightforward. In the Chinese page the information is presented in such a different manner, that it was a little harder to navigate through the different pictures." – Interviewee 3*

> *"It was easier to navigate through the Chinese page, because the text was in pictures and I think the overall layout of the page is very familiar to me, so I find it easier." – Interviewee 10*

It is also interesting to point out how Chinese and Finnish participants felt about the colors used in the pages. Some Finnish participants felt that the Finnish page had colors that made them feel relaxed, while the Chinese page had too many different and bright colors. Chinese participant on the other hand, felt that both pages had great colors, which made it hard for them to choose between the two. However, most mentioned that because the Chinese page had more colors, they enjoyed it more. Some even said that even more colors could be used in the Chinese page.

> *"In the Chinese page my eyes were not able to relax, because the colors used were too bright for me. The colors on the Finnish page were calm and there weren't any "shock" colors that confused my eyes. The simplistic colors on the Finnish page made me feel calm" – Interviewee 1*

> *"The aesthetics used in the Finnish page were well thought out. The colors made me feel a sense of calmness. In the Chinese page the colors were a lot brighter, which confused my eyes. The overall feeling was that there were too many colors on the Chinese page." – Interviewee 4*

> *"I like both pages and their colors because it makes me feel happy. I could even like more colors on both pages on the pictures, like orange, red, blue, green." – Interviewee 9*

Further, the visual components, for example, pictures used, were discussed. All Finnish participants felt that the Chinese page had too many pictures, while Chinese participants felt that the Finnish page needed more pictures.

"In the Chinese page, there was so many pictures, that I felt like I forgot which product I was looking at. On the other hand, in the Finnish page there is only the coffee mug clear photos of it being used in other places. There was just the right number of visuals for this page. In the Chinese page there were too many for my liking" – Interviewee 2

"There was just the right number of visuals on the Finnish page, not too many, not too little. The Chinese page had too many, but when I did take the time to scroll through them, of course they were nice pictures, I just wouldn't ever take the time while shopping to look through so many of them. The certificates on the page were confusing, as I am not used to that in Finnish online stores at all. We never have copies of certificates." – Interviewee 5

"I think the Finnish page didn't have enough pictures. The Chinese one has more pictures, which I think is better, because Chinese consumers all have their own requests and needs, that I think it fulfills everyone's needs in one page. I also like the visuals that consumers post in the comments, so I can see what consumers receive in the mail. All in all, the Chinese page really has everything you would want in a page." – Interviewee 7

At the end of the interview, there was a short discussion on what participants felt that was most appealing in the pages and which components were not appealing. All participants were able to point out components on both pages that were attractive.

"The number of colors used was something that turned me off the Chinese page. In the Finnish page I didn't have something that I didn't like to see, I loved that the main product was clearly shown, and it was clearly the star of the page" – Interviewee 1

"The Finnish page was minimalistic, which was attractive. The page gave me the same feeling of when I have my own coffee time, which is simple, calm, and relaxed. Whereas on the Chinese page I just got a confused feeling, as there were too many red boxes and pictures." – Interviewee

"It was great that the Chinese page had so much information, even though it might have been too much for me, I still like too much then too little. The Finnish page only had four pictures and a small text about the product, so there wasn't too much to dig into, making the page less attractive for me." – Interviewee 7

"From the visual side I got a similar feeling from both pages, as they have a similar design which is pleasant. Most appealing to me is the mug itself, and this is why I like to see different pictures of it showing the shape and colors. I

think it is very appealing that the Chinese page has the original story of Moomin." – Interviewee 5

4.3 Discussion

The goal of this thesis was to find out the differences between Finnish and Chinese consumption habits online through the comparison of two culturally customized online shop pages. Information gathered through interviews will be utilized to carry out the goal of this thesis and further, the quantitative data gathered will support the information gathered from interviews. This section discusses and portrays the collected results with the support of the theory constructed.

The result of this study demonstrate that culture influences the online consumption habits of Finnish and Chinese consumers. Further, it was found that there are differences between Finnish and Chinese consumers and their preferences towards online shops, which was supported by the results of the qualitative data and quantitative data from questionnaires (see appendix 3).

Culture can be referred to as a social referent to a consumer, which is directly linked to the motivation to purchase goods (Leigh & Gabel, 1992). All participants could point out certain aspects within them that were driven by culture. A few mentioned, that they understand accepted behavior and unaccepted behavior through cultural norms. Specifically, when discussing consumer behavior and the cultural effect to that, many Chinese participants mentioned, that their culture has certain shopping festivals that encourages their consumption. Everyone around them is purchasing during different festivals, which made a few participants feel entitled to purchase goods during the festivals. Moschis & Churchill (1978) introduced the social learning theory, which included socialization agents as one of the biggest influencers towards consumer behavior. This theory supports the finding, that Chinese consumers feel the need to purchase goods from shopping festivals through modeling the behavior of people around them. Additionally, this supports the responses of Finnish participants, as some felt that when they do

purchase goods, they will try to minimize their purchases towards necessities, as they feel that people around them act in similar manners. Further, one participant felt that the online shops and stores in Finland are simple and minimalistic, which is the norm in Finland, and this doesn't encourage them to splurge on unnecessary items.

As mentioned earlier, it is important to understand different cultural behavior in order to understand consumer behavior online, as cultural values are linked to cause consumers to react differently to different stimuli (Davis et al., 2008, p. 811). The reactions of respondents to different stimuli, differed noticeably between Finnish and Chinese participants. The S-O-R framework created by Ergolu et al. (2001) highlighted that low task-relevant cues focused on the visual side, for example, colors and pictures. On the other hand, high task-relevant cues highlighted the information given about the product. It was particularly evident through discussion and quantitative data (see appendix 3) on the use of pictures and colors that Finnish participants reacted negatively when there were too many bright colors and pictures used on the page, while Chinese reacted positively to utilizing different bright colors and many pictures. Moreover, Finnish participants felt that product information needed to be as compact as possible, and found in one place, whereas Chinese participants wanted as much information as possible and even felt that the Finnish page did not have enough information. This was supported by the Ergolu et al. (2001) highlighting, that low task cues influenced people from a collectivistic culture more rather than an individualistic culture.

As mentioned, Davis (1986) introduced the theory of the technology acceptance model, which highlights, that system features & capabilities motivate consumers to use a specific system. Research found that Finnish consumers were more prone to use both their phones and their computers to make certain purchases, while Chinese consumers only used their phones. Chinese respondents highlighted, that Chinese shops are most convenient to use on the phone because the shops are built that way and they have a great number of different applications on their phones to use for purchasing online. For certain purchases, such as technological needs and bigger purchases, Finnish consumers

preferred to use the computer, because they felt that they were able to find more information and have a clearer sense of the product there. Therefore, Chinese respondents were more adapted to purchasing through their mobile phones, because the technology within different applications and the online shop layouts in applications are more optimal. On the other hand, Finnish consumers felt more comfortable to make certain purchases on the computer as information was found easier through the computer. This is supported by the TAM (Davis, 1986) and Straub et al. (1997, p. 2) who pointed out, that the acceptance of IT is linked to the usefulness and perceived ease-of-use.

There was a clear difference between the participants from the Finnish and Chinese culture when discussing visuals. Quantitative (see appendix 3) and qualitative data showed that Finnish participants felt that the Chinese page had too many pictures, while Chinese participants felt that the pictures on the Chinese page were one of its best features. Conversely, Finnish participants thought that the number of visuals on the Finnish page were just the right amount, while Chinese participants felt there was too little. This is supported through the differences between individualistic and collectivistic cultures, introduced through Hofstede's model of cultural dimensions, which gives insight into the differences between the Finnish and Chinese cultures. Specifically, it is said that people from individualistic cultures prefer minimalistic features on pages, whereas people from collectivistic cultures enjoy more visual effects, such as, graphics and videos (Kim & Coyle, 2009). Therefore, the Finnish culture being an individualistic culture, rely on a more structured page, in order to concentrate on one task at a time. One Finnish participant even mentioned, that because the information found on the Finnish page was in text form, it made it harder to quickly point out the features, meaning that the participant preferred the information to be in a table form for simplicity. One mentioned that the product description table on Chinese page was simpler compared to the text on the Finnish page. Further, Callahan (2005, p. 245) argued, that cultures with a lower score in power distance prefer simplistic designs, which is confirmed by the findings from Finnish respondents.

Hofstede et al. (2010) defined uncertainty avoidance to measure the degree to which people are comfortable with uncertainty and ambiguity. The results from both qualitative and quantitative (see appendix 3) data show, that although Chinese respondents preferred the Chinese page more, they were still able to accept and find numerous good aspects on the Finnish page. On the other hand, Finnish respondents evidently had a harder time finding positive features on Chinese page. The Finnish culture has a higher score in uncertainty avoidance than the Chinese culture which highlights that people from the Finnish culture are less open to changes in the shop characteristics, while people from the Chinese culture are more accepting and able to adapt to changes in the shop characteristics. This was also evident in the results, as Finnish respondents mentioned, that the Chinese page did not make them feel comfortable or relaxed, as it was so different from what they were used to.

Mourya (205, p. 28) points out the e-commerce engagement incentives, which include many influencing factors. This research confirmed that most e-commerce engagement incentives were influencing factors to participants. Specifically, although the preferences towards the look and feel of the page were different between the two cultural groups, it was still as important to all participants. It was found that Finnish participants preferred when the page had more of a simplistic and Scandinavian look and feel, while Chinese participants preferred that the page had more colors and pictures. Additionally, a few Chinese participants mentioned, that being able to have personal conversations with customer service was appreciated, confirming, that personal attention (Mourya, 2015) was an incentive towards engaging in e-commerce. For Finnish participants the need for personal attention was not as necessary when shopping online. Another important difference between the two participant groups is that the trust towards a page was crucial for both. However, Chinese participants gained trust through finding the necessary information and most highlighted the importance of other consumer feedback on the page as a big factor towards the trust and reliability towards a page. On the other hand, Finnish participants felt that trust towards the page came from the design of the page, as many highlighted that the simplicity and clarity of the page gained their

trust. This shows, that although all incentives were important to respondents, the cultural differences altered the emphasis that the incentives had for the two groups of respondents.

Mostly all participants were more likely to make purchases like shoes, furniture, clothes and so on, online. Even more so, most Chinese participants enjoyed purchasing most products (excluding groceries) online, while Finnish participants enjoyed purchasing some products in-store, but also mainly online. Scholars highlighted, that because the market changes and institutional norms are driving consumers towards purchasing through e-commerce (Tiessen et al., 2001; Knight & Cavusgil, 2004), it is beneficial for companies to invest in digitalization and internationalization through e-commerce. However, the results also support the theory of the basic mechanism of internationalization by Johansson & Vahlne (1977), that a lot of market research needs to be done, in order to fully understand the different cultural needs and have a profitable business internationally. Additionally, online shops should be customized to fit cultural needs (Mittal 2005), which is confirmed by the results as they show that both Finnish and Chinese consumers have different preferences.

Al-Adwan et al., (2003) mention a few of the key influencing factors towards the satisfaction of the page included perceived security (PS), perceived information quality (PIQ) and user interface quality (PQ). It is interesting to note that all participants felt that specifically, PIQ and UIQ led to the perceived security of the page. When both groups of participants felt that the certain page had good quality of information and good interface quality, they felt that the page was secure, which was also shown in the quantitative data gathered (see appendix 3). Therefore, participants felt satisfied with the page and trusted the page. Most Chinese participants felt that the Finnish page lacked information and visuals, leading them to feel unsatisfied with the page. However, Chinese participants felt that as the Chinese page had great amount of information, visuals, and enjoyed the general layout of the page, they felt satisfied and trusted the page. Chinese participants would all purchase from the Chinese store rather than the Finnish store.

Vice versa, Finnish participants felt the same towards the Finnish page. Therefore, confirming the theory of influences towards online customer loyalty through the path analysis (Al-Adwan et al., 2020). Additionally, Chinese participants felt the customer feedback and customer experience, which was shown on the Chinese page was a big influencing factor towards the trust of the page. This also confirms that the electronic word of mouth is a crucial component specifically, for Chinese consumers to trust an online shop.

Some key website design characteristics that are impacted by culture include language, layout, multimedia, and color (Cyr & Trevor-Smith, 2004). The result of this research specifically points out the different needs towards the above-mentioned characteristics and how culture effects these. A few Finnish participants mentioned that a factor that decreased the trust towards the Chinese page was that the translations did not have the perfect grammar. Therefore, emphasizing the need for customized translations of a page, in order for it to be trustworthy. Moreover, both groups of participants felt that the layout of the page from their culture was more familiar and made it easier for them to navigate through the pages. A few participants from both groups even mentioned, that the layout of the page from their country fits the standard for how it usually is, making it more appealing. Another characteristic on the pages that is important to note, is that the color preferences between the two cultural groups differed. Chinese participants felt that the more colors used, the more engaging it was, while Finnish participants felt that less colors, the better, as it made them feel calmer and more focused on the page. This, therefore, confirms Cyr and Trevor-Smith's (2004) theory, that specific characteristics on a page have impact on the consumer satisfaction and specifically, that all those characteristics are impacted by culture.

5 Conclusion

This thesis observes how cultural differences effect the online consumption of Finnish and Chinese consumers. Specifically, the differences between the Finnish and Chinese online Moomin shop product pages were compared and utilized to get an understanding of the preferences towards certain online shop characteristics. Moreover, the thesis gives insight for internationalizing e-commerce companies, into how strongly cultural differences effect the preferences of consumers and how this might affect the choice of standardizing online shops into different cultures.

The influence of cultural differences towards online consumption was researched utilizing previous research related to cross-cultural consumer behavior, e-commerce and internationalization, online shop design, and creating consumer satisfaction and loyalty. This research supports existing literature, while providing new insights into the topic. Questionnaires and interviews were carried out to gain information. Through extensive literature review and thorough analysis of data, the subsequent conclusion has been drawn.

The preferences towards the characteristics of an online shop vary noticeably between Finnish and Chinese consumers. Finnish consumers were more satisfied with the Moomin shop product page that was accustomed to the Finnish culture, while Chinese consumers were more satisfied with the Chinese page, which was also accustomed to the Chinese culture. Finnish consumers preferred the simplicity and clarity of the online shops' layout, colors, and pictures used, while Chinese preferred the availability of all product information, the use of many pictures, and consumer feedback on the page. Moreover, Chinese consumers were heavily influenced by the consumption habits of people around them, through seasonal purchasing and shopping festivals in China, which encourage them to purchase out of impulse. Therefore, companies should focus on seasonal products and sales to create sales during the time of Chinese shopping festivals when maintaining an online shop in China. This is because Chinese consumers are more prone to purchase goods during this time.

Finnish consumers gain trust towards an online shop mainly through the visible aspect of a page, such as the colors and pictures used, while for the Chinese consumers it focused on the amount of information available and consumer feedback. Finnish consumers were drawn to the minimalistic design of the Finnish page, where cool-toned colors were used. They felt that the product itself was the focal point and the page didn't have any other unnecessary distraction, which was important. The consistent structure that the Finnish page had, allowed Finnish consumers to focus on one aspect of the page at a time. Product information was crucial for them to find in a compact form, where they did not have to use excess time to search for it. Therefore, it is important for Finnish online shop pages to focus on the product itself and the simplistic design of the page around it. Conversely, Chinese consumers preferred the maximalist design the Chinese page entailed. They preferred brighter colors and the use of several pictures. Information was easier to seek for them when it was in pictures, as it gave context to what they were reading. The Chinese product page was more enjoyable to scroll through for Chinese consumers when they could see the product itself in use and read about the material of the product while looking at the pictures. Further, Chinese consumers enjoyed reading about the story behind the product. These differences conclude that the characteristics of an online shop page holds great value to consumers, and the differences between Finnish and Chinese consumer behavior online requires online shops to alter the characteristics of the page to fit the cultural preferences of consumers, in order to satisfy the consumers.

Through this research, it is evident that a lot of market research must go into understanding different cultural needs of consumers before companies make the decision of whether to standardize their online shops internationally. Chinese consumers were more open to purchasing from the Finnish online shop, however, the use of applications on their phones for purchases emphasizes the need to customize online shops to fit the layout of mobile phone purchasing. Finnish consumers enjoy purchasing through the comfort of a familiar online shop page and found that the characteristics of the Chinese page did not satisfy them, therefore, impacting heavily on their purchasing decision.

5.1 Practical implications

The practical implications of this study are significant for international businesses utilizing e-commerce. The findings suggest that standardizing an online shop internationally and ignoring different cultural preferences has a negative impact on online consumer satisfaction and loyalty. Therefore, when internationalizing through e-commerce, it is of great importance to customize the shop to fit different cultural preferences and needs.

Companies internationalizing through e-commerce to China or Finland can utilize this study to understand the different aspects of the online shop that appeals Finnish and Chinese consumers. The findings suggest that to internationalize through e-commerce, a lot of market research needs to be done beforehand mainly to understand the online shop norms in the specific country, as well as consumer preferences. This is because culture guides consumer behavior, which creates differences in consumer preferences around the world. An online shop that is successful in China, will not satisfy the consumer needs of Finnish consumers and vice versa. Therefore, companies can utilize this study to estimate the opportunities and challenges of e-commerce and the standardization of an online shop to a culturally different country.

5.2 Limitations and further research

One of the limitations to this study includes the small sample size, which consisted of five Finnish participants and five Chinese participants. This influences the study as there is a limitation to not receiving enough confirmation towards certain results from multiple participants. Nonetheless, the main results of the study were gathered through interviews, which allowed for more in-depth data. Further, the Chinese online shop was available through the Chinese online retail store Tmall. Therefore, this is a limitation towards the study, as the platform of Tmall is known to Chinese consumers, making the layout of the Moomin product page more familiar for Chinese participants.

Additionally, the Chinese page was translated into English for Finnish participants, which created the possibility that the grammar was not perfect. This was evident in the study, as a few Finnish participants mentioned the importance of correct translations in the interviews. Moreover, there was not a possibility to translate the text in the pictures used on the Chinese online shop page, which could lead to Finnish participants misinterpreting the meanings within the pictures. This can also lead to difficulties finding information on the page.

Although online consumer behavior and cultural differences have a great number of prior studies, there is a need for further studies towards cross-cultural online consumer behavior. Specifically, there is a need to research the online consumer behavior of specific cultures and their preferences towards online shop characteristics. As e-commerce continues to trend in global markets, it is of great importance to further research the impact online shop designs and characteristics have on the profitability of an internationalizing firm.

Suggestion for further research towards the impact of cross-cultural consumer behavior towards a launch of an online shop can be made. This gives valuable insight into how culture effects not only the website characteristics and layout, but also the navigation and ease of use of the online shop. Further, in-depth secondary research on the comparisons between online shops from China and Finland is needed for further research, as it can help get an understanding of how evident the differences are.

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Appendices

Appendix 1. Cover letter

My name is Veera Lassila and I am 24-years old. I am doing my Master's degree in the University of Vaasa, specializing in international business. I am currently conducting my Master's thesis, for which I will compare how cultural differences influence the online purchasing decisions of Finnish and Chinese consumers. My aim is to get consumers from different cultural backgrounds to compare the Finnish and Chinese Moomin online shop and form their own opinions on both shops. Therefore, I wish to interview both Finnish and Chinese consumers about the topic.

To conduct my research, I will use theory to support interviews and findings. At the beginning of the interview, I will allow the respondent to look through both the Finnish and Chinese Moomin Online Shop/Tmall pages and fill out questionnaires for both pages (five short answers). After this I wish to interview the respondent on the two different online shop pages, and we will be able to discuss the questionnaires. The interview will take about 30 – 60 minutes. The Moomin online shops do not have to be familiar in advance or used previously. The interview will be more of a relaxed conversation about the two product pages, where the respondent is able to share their insight and personal feelings towards the pages. The following pages will be compared: https://shop.moomin.com/products/moomin-mug-0-3l-fishing-arabia & https://m.tb.cn/h.U6KRDUX?tk=2LqUdcJZKtz

I will then analyze the data based on the interviews and utilize previous theories to provide new insight into the topic through the eyes of consumers. The data received in the interviews will be utilized anonymously.

I hope this raised your interest and you would be willing to participate in the interview.
Kind regards,
Veera Lassila

Appendix 2. Tasks and questionnaires

1. Go through both online shop pages from top to bottom and scroll through the
    different pictures, look through videos if there are some

    o Find the volume of the cup

    o Find the care instructions

    o Find the payment methods

2. Fill out the trust and satisfaction questionnaire for both Finnish online page and
    Chinese online page

Evaluate the statements below:	Strongly disagree 1	Disagree 2	I don't know 3	Agree 4	Strongly Agree 5
I found the page to be secure					
I would insert my card details to the page					
This online shop was easy to use					
It was easy to find information					
I found the appearance of the page appealing					
It was easy to navigate through the page					
I would purchase from this online shop again					

Appendix 3. Interview guide

Background

1. How do you feel culture guides you in your day-to-day behavior?

   o How do you feel it has shaped your consumption habits?

2. What are your thoughts on online consumption?

   o Do you prefer online or in-store shopping? Why?

   o Are you familiar with technology usage, is it common for you? Do you use technology daily or weekly basis?

   o Which devices do you prefer to use when you online shop, why?

   o Do you have specific online shops that you always tend to go to, which ones?

Questions about the online shops

3. Perceived security & privacy

   o What type of overall feel of trust did you have towards the page? Why did you trust, why did you not?

   o Which page was more trustworthy and why?

4. Information quality

   o What type of information do you believe to be at great importance for you while online shopping?

   o Was there information that you felt was missing in the pages? What and why?

   o Which page had better information quality that met your needs, why?

5. Interface quality

   o How easy do you feel it is to navigate through the Finnish online shop vs the Chinese? Which elements made it easier?

   o What did you feel about the overall colors used in the pages?

   o Were there enough visuals to your liking? Which ones and why?

   o How did you feel about the overall view of the page? Which elements from either of the pages were most appealing to you/not appealing?

Appendix 3. Quantitative data from questionnaires

Finnish page (S1)	Average	St.Dev	Mode	Median	Variance
I found the page to be secure (Q1)	4,8	0,4	5	5	0,16
I would insert my card details to the page (Q2)	4,6	0,49	5	5	0,24
This online shop was easy to use (Q3)	4,6	0,49	5	5	0,24
It was easy to find information (Q4)	4	1,1	5	4	1,2
I found the appearance of the page appealing (Q5)	4,6	0,49	5	5	0,24
It was easy to navigate through the page (Q6)	4,8	0,4	5	5	0,16
I would purchase from this online shop again (Q7)	5	0	5	5	0

Chinese page (S1)	Average	St.Dev	Mode	Median	Variance
I found the page to be secure (Q1)	3,4	1,36	4	4	1,84
I would insert my card details to the page (Q2)	2,6	1,02	3	3	1,04
This online shop was easy to use (Q3)	2,6	0,8	2	2	0,64
It was easy to find information (Q4)	2,8	1,47	4	4	2,16
I found the appearance of the page appealing (Q5)	2	1,1	1	2	1,2
It was easy to navigate through the page (Q6)	3	0,89	2	3	0,8
I would purchase from this online shop again (Q7)	2,6	1,02	3	3	1,04

Finnish page (S2)	Average	St.Dev	Mode	Median	Variance
I found the page to be secure (Q1)	4	0,63	4	4	0,4
I would insert my card details to the page (Q2)	3,4	1,2	4	4	1,44
This online shop was easy to use (Q3)	3,2	0,75	4	3	0,56
It was easy to find information (Q4)	4	0,89	5	4	0,8
I found the appearance of the page appealing (Q5)	4	1,1	4	4	1,2
It was easy to navigate through the page (Q6)	4,2	0,4	4	4	0,16
I would purchase from this online shop again (Q7)	3,8	0,4	4	4	0,16

Chinese page (S2)	Average	St.Dev	Mode	Median	Variance
I found the page to be secure (Q1)	5	0	5	5	0
I would insert my card details to the page (Q2)	4	0,63	4	4	0,4
This online shop was easy to use (Q3)	4,8	0,4	5	5	0,16
It was easy to find information (Q4)	4,4	1,2	5	5	1,44
I found the appearance of the page appealing (Q5)	4,6	0,49	5	5	0,24
It was easy to navigate through the page (Q6)	5	0	5	5	0
I would purchase from this online shop again (Q7)	4,6	0,49	5	5	0,24

Finnish Participants

Chinese Participants