

Older Adults' Online Shopping Behavior in China

Caiyue Shen, Lian Zhou, and Shuching Lin

Taobao (China) Software Co., LTD, Xixi Park, 969 Wenyixi Road,
Yuhang District, Hangzhou, Zhejiang, P.R. China
ziyuan.scy@alibaba-inc.com,
{lingluo, shujing.lsj}@taobao.com

Abstract. The purpose of this study was to investigate the online shopping behavior of older adults in China. Participants were members of Taobao, aged 50-65. We observed the following interesting behaviors: For many, tablets or mobile phones are rarely used. "Search" is often used when they shop online. The participants are accustomed to search and rarely know of other webpages that can be browsed. Sometimes, the participants may get lost when multiple webpages are opened; then, they typically close all of the webpages and have to start again from the beginning. Additionally, the participants ask few questions, even if they have some difficulty in browsing a webpage. All of these behaviors can be explained by the attentional cognition of older adults.

Keywords: Older adults in China, Online shopping, Consumer behavior.

1 Introduction

1.1 The Present State of the Chinese Aging Population

With a large population, China has been experiencing its first aging population peak since 2012. By the end of 2012, the aging population in China increased by 8.91 million over 2011, accounting for 14.3% of the total population. The population reached 202 million in 2013, accounting for 14.8% of the total population[1]. The Chinese aging population is expecting an accelerated growth in the 30 years after 2011. By 2030, the portion of the Chinese population that is aged 65 and older will have overtaken that of Japan, accounting for 20.43% of the total population; China will then officially become the nation with the largest percentage of aged population in the world. By 2050, China will enter an advanced stage of aging society[2].

1.2 Lifestyle and Market Potential of Chinese Older Adults

With the increase of aging adults, the physical and mental functions in older adults are changing. Older adults experience mental and physical deterioration with age, including the decline of vision, auditory function, of responsibility, memory loss, and learning ability[3-4]. The life patterns of older adults also change after retirement. Looking for new spiritual sustenance and social responsibility, the empty nesters are trying to take care of their grandchildren because of their tedious lives and the lack of emotional communication.

Chinese society is concerned with endowment as China is becoming an aging and well-off society. To cope with this serious situation, the State Council published "The Twelfth Five Year Plan to Develop Chinese Endowment" in September 2011, emphasizing the aim to resolve pensions, medical care, mental health, and the accomplishment and pleasure problems of older adults. Older Chinese adults are demanding more from the market, thus making the aged market in China the largest in the world. It is roughly estimated that the total income of older adults has reached 400 billion in 2011 and will most likely top 1 trillion in 2020[5]. How to guide older adults consumer to spend, especially on online shopping, has become an important trend for the future.

1.3 Chinese Older Adults and Online Shopping

As the population of Chinese netizens increases with the popularity of the internet, so does the population of the older netizens; 6.2% of Chinese citizens were older than 50 by the end of 2012, an increase of 1.4% over that in 2011. The Internet is rapidly becoming popular among older adults (as shown in Figure 1) [6], making this population a major sources of growth in the Chinese netizen population.

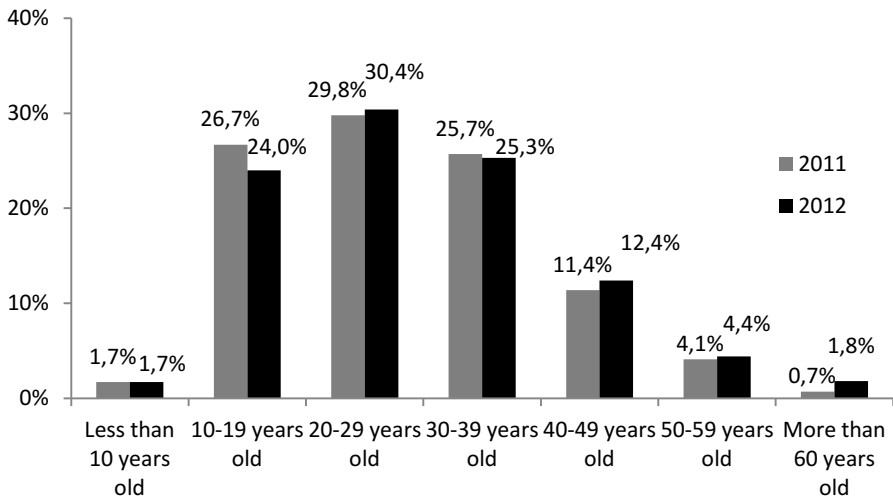


Fig. 1. Age Structure of Chinese netizen (Source: The 31st Statistical Report on Internet Development in China, CNNIC, 2013.1)

Consumers are becoming "older" in the online shopping market. The proportion of consumers over 40 has increased by 4.6% over that in 2011 to a new level of 10.2% in 2012. Comparatively, consumers under 30 are exhibiting a relative decline in their proportion, especially those between 18 and 24, who dropped 7.2% in user ratio (as shown in Figure 2)[7]. Older adults are contributing more than youngsters to on-line shopping.

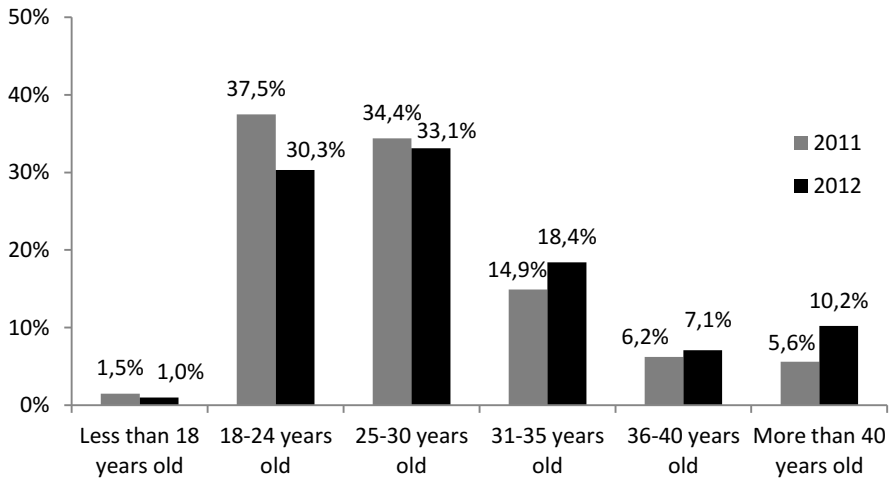


Fig. 2. Age Structure of On-line Shoppers (Source: Studies on Chinese On-line Shopping Market, 2012, CNNIC, 2013.1)

Being the biggest on-line retail service provider in APEC and the most popular on-line shopping platform in China, Taobao has approximately 500 million registered members with a user penetration rate of 88.1%, ranking 1st among various on-line shopping websites in China, 2012[7]. The subjects who were investigated in this paper are mainly older adults who shop on Taobao. By studying their on-line shopping behavior, we have located several difficulties and obstacles for older adults, which will be illustrated in the paper.

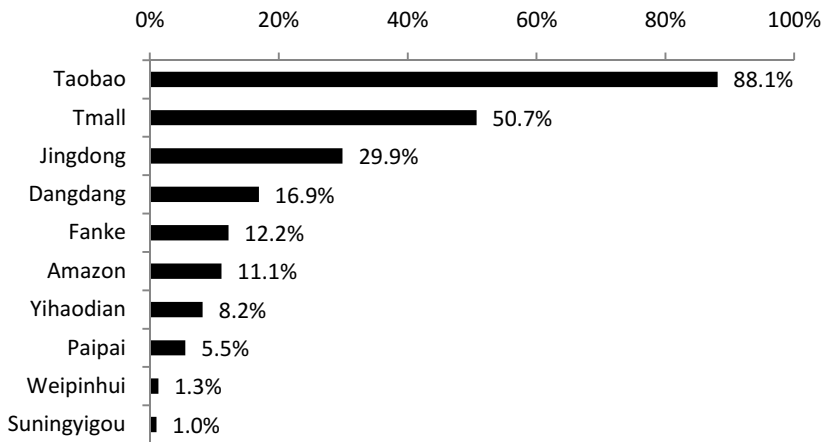


Fig. 3. User Penetration Rate of Major On-line shopping Websites in China (Source: Studies on Chinese On-line Shopping Market, 2012, CNNIC, 2013.1)

1.4 Practical Significance of the Study

Studies of the aged around the world focus mainly on the fields of social security and physical products. However, there is little research on online shopping behaviors in that segment of populations worldwide. This study is important for two main reasons:

First, studies on older adults and their needs are important. It is unclear that how these older adults shop online. By understanding the characteristics of older adults' online shopping features and e-commerce, websites are able to develop a more older-adult-friendly interface.

Second, the study explores the consumer habits and behavior of older adults and their difficulties as well as needs. Expressing more concern for older adults and introducing new lifestyle and concepts of older adults has a practical significance for the development of Chinese ageing industry.

2 Design

This study was conducted to explore older adults' shopping behavior in Taobao, to optimize the existing products, and to build a platform that is suitable for older adults' shopping.

Methods. Household interviews and observation methods were utilized to obtain more real information. The subjects can shop as they usually do, and they may be more comfortable in their house than in our laboratory. Additionally, we can assess the consumer's actual living environment, which is helpful for understanding the values of these elderly consumers. This type of information complements the interview data.

Participants. The major research subjects are older adults who are members of Taobao, the largest e-commercial company in China. Subjects are aged from 50-65 years. Many aspects were considered before choosing the range from 50-65: first, many people retire when they are 50 years old, and they have enough time for entertainment and are relatively wealthy. Second, the major members of Taobao are under the age of 65. They can live on their own and can shop online independently. In our research, subjects were 8 older adults (4 women and 4 men, aged 50-65 years old) who were members of Taobao; all have bought something online in the last 3 months (between 2013.4 and 2013.6). All eight subjects live in Hangzhou.

Procedures. Before the formal interview, we invited the participants into the study by telephone. To obtain some information that is more contextualized, valuable and real, we chose a household interview with their permission. For the household interview, we first chat with them about the first time they learned about the internet and online shopping, and why and how they shop online and so on. Then, the subjects shop online as they usually so that we could obtain more real and accurate information. The entire process was recorded with the subjects' permission. Each household interview lasted 2-3 hours.

Analysis. Qualitative Analysis method

Findings. Based on the observations, several typical behaviors were observed:

Behavior 1. A habitual way of online shopping regarding login-in and browsing the web was observed. Some people are accustomed to login from the homepage, whereas others login from Aliwangwang (a type of instant messaging tool); even if more convenient options were provided, they still chose the path to which they were accustomed. All of older adults people in this study use the search.

Behavior 2. Recommendation information is popular with older adults. The recommendation information may come from children, friends or unofficial platforms such as QQ (an instant messaging tool in China). This trend is opposite to that seen in young people. In our previous research, we found young people do not prefer recommendations, which are considered to be advertisement.

Behavior 3. The subjects easily got lost in Taobao. After they opened numerous webpages, it was not easy for them to go back to the previous page. Then, an interesting behavior emerged: the subjects closed all of the webpages and began browsing again from the start.

Behavior 4. It is difficult to adapt to changing functions. Before our current research, the webpage of Taojinbi (a kind of virtual currency.) was redesigned. However, older people we interviewed did not adapt to the changes and did not know how to navigate the re-designed page.

Behavior 5. The older subjects complained less than young people. An interesting phenomenon is that the older users do more internal attribution when problems arise. This is in contrast to the attitude of young people; based on our previous studies, young consumers complain more about the web site.

Behavior 6. only some goods is bought on the internet. Not all the goods is bought on the internet. They buy some clothes, some socks, foods and so on. Different people have different choices, but these goods that older adults bought on the internet have similar characteristics: Low price, novelty, not easily broken and so on. This behavior in young people is consistent with behavior in older adults.

From our interview with eight subjects, older adults choose online shopping may have several reasons: the direct reason is influenced by family or friends who often shop online, which change attitudes towards online shopping. The important reason is that online shopping has many advantages that are the shortages of the mall. For example, they can do shopping online at any time, can buy cheaper goods, and can enjoy convenient logistics, etc. All the above factors were introduced also by Ziqi Liao & Michael TC (2001) research[8].

Based on the interview, the above behavior can be explained by the following factors:

Factor 1. The lack of effective official propaganda. Over the past few years, Taobao implemented less marketing, and some special shopping channels have had limited exposure, which decreases the chance of older adults online shoppers finding something new.

Factor 2. Little knowledge of Taobao. Older adults know that Taobao is a place to shop online, but they do not know the rules and special shopping available at Taobao. They still adopt the original methods of online shopping, which include searching and paying attention to recommendations, amongst others.

Factor 3. The decline of fluid intelligence. With the increasing age of these subjects, the ability to learn new knowledge decreases. It is difficult for older people to learn and to adapt to changes on the internet. The relative lack of attentional resources and the decline of allocation attention have been shown in previous research. According to the theory of limited attention, attention is a finite resource. As age increases, attentional resources decrease[9-11]. When older people shop online at Taobao, they pay more attention to information about goods and pay little attention to other information such as the path and the rules, so that they show habitual ways of shopping and easily get lost.

Factor 4. The perceived risks on online shopping. The perceived risks in the process of trading affect older adults' online shopping, such as they are worried about the quality risk, payment risk and logistics risk[12-13], etc. Thus, older adults may buy particular goods on the internet, and they don't buy valuables goods on the internet, such as iphone, ipad and so on.

Based on the behavior and cognitive characteristics of older people, some suggestions for a platform that is suitable for their shopping habit are as follows:

First, fix the position of the search box and unify the design or the logic of the search box. A good search is better for reducing the cognition load.

Second, optimize the shopping path and maintain the unity of the page design. It is necessary to minimize the chance of getting lost.

Third, establishing a shopping guide website for these older adults, so that their preferences can reduce the cognitive load.

Fourth, improve marketing. Improvement in the marketing is urgently needed and includes the rules, safety awareness, and special shopping webpages, so that the possibility of misunderstanding will be minimized, especially for inexperienced old people, because inappropriate misunderstandings may discourage the enthusiasm of online shoppers, which will not be conducive to the development of the online shopping market in older adults.

In this study, some interesting behavior has been discovered. The research fills a gap which has existed in our online shopping study, and initiates us into the problems of older adults' online shopping in China. However, it is worth thinking deeply about that how we fill the gap between the behavior of older adults and the design of platform suitable for older adults.

In future, older adults' online shopping will be paid more attention, such as the affecting factors will be discussed, which can be discussed in Blanca Hernández

(2011)[14] , but cultural differences maybe exist in different countries. We can study whether there are gender differences or age difference on older adults' behavior, which will be conducive to the establishment of platform. The gender and the age difference have been in our research agenda. In addition, our current research uses older adults who are experienced with computers as our subjects. However, many older adults who are inexperienced with computers desire an online shopping experience but find that using the internet is difficult. Determining how to meet the needs of these people is still a challenge.

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