



# The selected implications on effects to traditional business sectors of increasing marketing in *WWW-tentative findings*

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# Content

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# Theoretical background

- The means offered by traditional management theories are inadequate
  - Value Chain Management, Customer Relationship Management (eCRM), Network Management
- The customer perspective: different kinds of services to fulfill the diversity of needs
- Knowledge Management to build more efficient organizations
  - E-business as the producer of new solutions to interact

# Customer behavior in e-commerce

- The barriers of e-business
- Finland's unique situation as an information society
- Customers' strong control over the purchasing process
- The readjustment possibilities of intermediaries

# Purpose and framework of the research project 2002-2006

- **Analyze the increasing role of internet as information retrieval in purchasing process of durable goods**
  - comparing value chain theories and information retrieval in real estate and used car markets
- **Real estate and second hand car business are examples of business sectors selling expensive durable goods or investments for households**
- **Time serial study was developed in co-operation by the producer of www-site portal, Alma Media Interactive, and the research group.**
- **The primary target was to measure a level of internet utilization in purchasing process of the durable goods by analyzing the data:**
  - internet utilization in information retrieval in purchasing process of real estates and second hand cars
  - main factors of questionnaires pointed out by multivariate analyses
  - some other obvious phenomena of internet utilization
- **Demands of new media by consumers**

# Research design

- Information retrieval process of purchased apartment or second hand car
- Satisfaction into dealer's activity and service level
- The main criteria of the purchased apartment or car
- Demands and development ideas by consumers considering...
  - service of dealers
  - information sources
- In this paper is presented some tentative findings

# Data collection and data

- To point out the key factors in purchasing process and its information retrieval
  - questionnaires were given by the estate dealer or car trader to the consumers at the purchasing deal signature gathering
  - paper format of questionnaires
  - equal basis in questionnaires of car dealing and real estate business

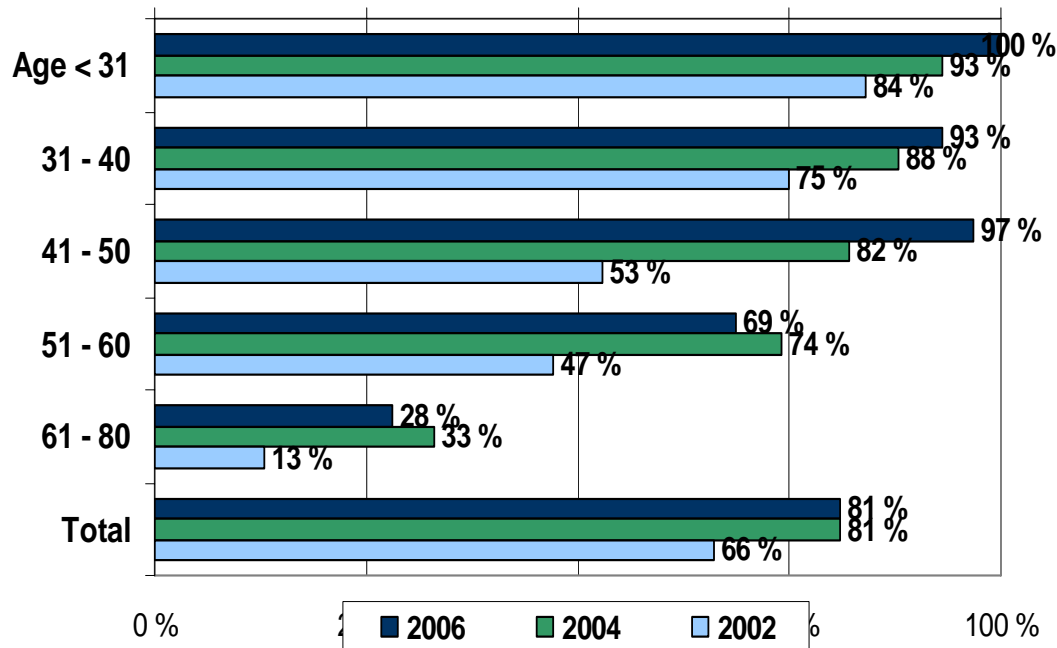
- Number of questionnaire answers i.e. data

Study	N of answers
2002 real estate	267
2003 car trade	221
2004 real estate	339
2005 car trade	273
2006 real estate	200
Total	1300

- Plus A e-questionnaire for car dealers 2006; N=230

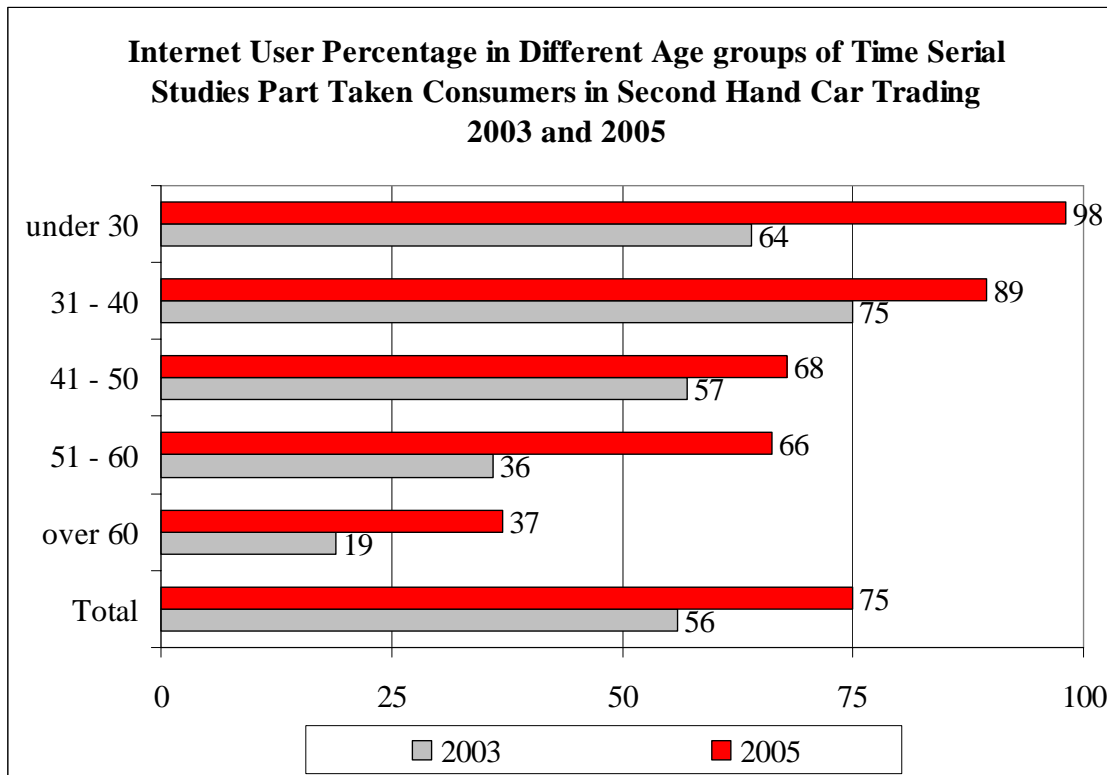
# Primary results: Internet utilization level in real estate business 2002, 2004 and 2006

**Internet User Percentage In Different Age Groups Of Time Serial Studies Part Taken Consumers In Real Estate Business 2006, 2004 and 2002**



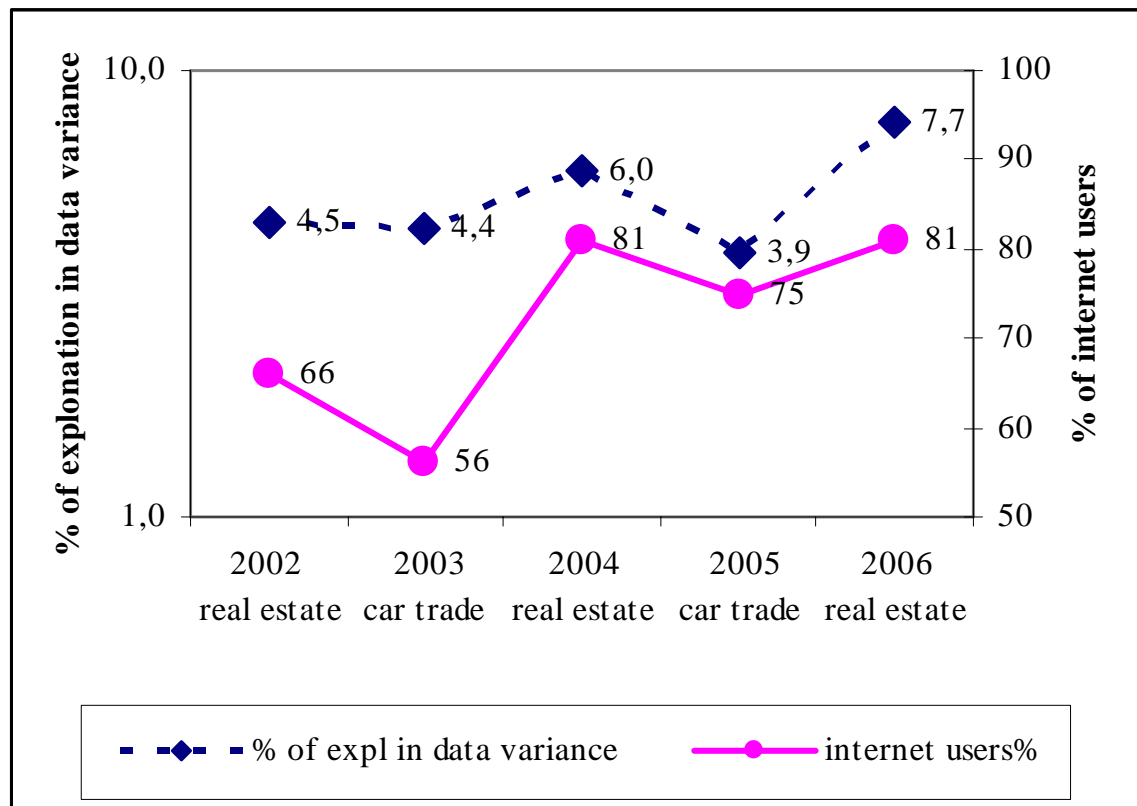
- Overall majority of all age groups use internet in retrieval process, excluding senior citizens, who prefer printed media
- Utilization of internet either to find apartments available on markets or to compare prices

# Primary results: Internet utilization level in car trading business 2003 and 2005



- Similar phenomena comparing to real estate business, even more early
- The markets became national instead of local
- Advertising in www-sites is cheaper comparing to printed media; thus more photos and detailed information are available in www

# Primary results: Connection between internet usage and Internet's primary position in information retrieval



- The more customers use internet in information retrieval, the more they expect to get value adding knowledge through the websites
- 360 degree photos of every room and area around
- more reality needed; frustration and irritation because of in vain visits

# Main factor development and other phenomena

- Data was analyzed by SPSS 12.0.1 multivariate analyses in order to find out the main factors explaining phenomena in consumer behavior
- In real estate business
  - Eigenvalue of internet i.e. meaning internet as a favorite information source in retrieval process has grown systematically.
  - Good service level of realtor has kept its place as the most powerful position in the list of data explanatory factors.
  - The factor of internet as primary retrieval source in realtor business has also remained its second position
- In car trading business
  - the factor variation has not been as equal as in real estate business; the selection variation of factors is wider and has more variation than in real estate business sector.
  - The reason behind might be the internet utilization has become primary advertisement media much earlier as business as usual comparing to real estate business
- The distances between traders and consumers have increased a lot
  - internet advertising offers nationwide marketing field
  - The interesting cars can be trial run by a keen custom coming as well from 10 to 1000 kilometers distance
- Finnish consumers prefer shopping places from where they can easily get everything they want and that offer comfort of visit
  - Distance is even less important factor when purchasing special goods

# Conclusions: Role of dealer in change and demands for new media

- Basic on different time valuation concept of consumers
  - Time is money and customers are less willing to use their leisure in trade shops or common housing showings.
  - Trend seems to expect almost 24/7 service level in information retrieval process of purchasing
- The information seeking process is very target oriented
- Information concerning trade selection should be trustable and as real-time as possible, updated at least daily
- Some interesting gaps concerning service response rapidity
  - potentials in personal response services and information sources 24/7 basing on internet leads could produce value-added benefits both for the traders and consumers

# Thank You!

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