

Convenience and Online Consumer Shopping Behavior: A Business Anthropological Case Study Based on the Contingent Valuation Method

Li Meixian

China University of Political Science and Law, China

KEYWORDS Convenience. CVM. Online Shopping. Pricing Strategy. WTP

ABSTRACT Success of the growing online retail industry arises from the phenomenon that consumers are willing to pay a premium for the convenience of online shopping. Thus, the purpose of this study is to assess the premium and begin to identify which factors affect it. Using the Contingent Valuation Method (CVM) in combination with the Spike Model, this paper finds that the premium, indicated by median willingness to pay (WTP), is 2.957 for an online product priced at 50 RMB. This suggests that online sellers may increase product prices by approximately 2.957 RMB, or 5.9 percent, especially for those goods, which can be purchased with a greater convenience online as opposed to offline. In examining the following two factors: online shopping frequency and gender, this paper finds that the first significantly affects the WTP, while the second has no significant impact.