

# FACTORS LEADING TO ONLINE PURCHASE INTENTIONS: CUSTOMIZED GIFTS INDUSTRY IN DENMARK

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## Abstract

Gift giving is a global behavior which is important for many people's social and cultural lives. In fact, at least \$300 billion is spent for gifts annually in the US, with more consumers purchasing gifts online in recent years, mainly to improve convenience of the gift-giving process. Nevertheless, it is difficult for marketers to understand the main factors affecting the behavioral intentions for online purchases. Therefore, the objectives of this study were to identify and examine the relationships between the most influential factors and purchase intentions for online customized gifts purchases. The research methodology was derived from a conjoint analysis of 204 responses from Denmark to test hypotheses of four key attributes (i.e. customization, price, product quality, and delivery time). Major findings of the preference scores (part worth utility) for each attribute level revealed the statistical significance between the four key attributes and online behavioral intentions. The results from the part worth coefficients indicated "customization" as the most important attribute, followed by price, product quality, and lastly delivery time as the least important attribute for online Danish gift shoppers.

**Keywords:** online purchase intentions, gift giving, customized gifts, Thurstone Scaling, Conjoint Analysis, Choice-Based Conjoint

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## **INTRODUCTION**

The rapid growth of Internet users and its integration with the gift-giving norm has resulted in changing gift purchasing behaviors. Not only do online consumers buy gifts online to speed up the process, but they may also seek for greater convenience, customization or other options. In fact, customization is a relatively new trend indicating a tremendous market change for various industries and businesses. The phenomenon “customization” is an approach of companies to appear more customer-centric, which has become more necessary in recent years.

At present, customized gifts have gained tremendous popularity among online consumers, involving more than 100,000 online businesses with annual sales of at least \$27 billion (Wurtzel, 2007). In fact, the trend of customization is widely spread outside the US but has only reached Danish markets recently, making Denmark a relatively unexplored and interesting area for testing.

Even if customization may appear as a great opportunity for marketers, in reality, many companies struggle to deliver customized products in a cost-effective manner. Marketers in this industry are likely to find it challenging to understand the factors which drive individuals to buy gifts online due to the high complexity behind the gift giving process, as well as the rapid rate of change in consumer behavior. However, no studies have examined the motivation

behind choosing one online customized gift provider over another despite the fact that customized gifts continue to contribute to economic growth.

## **LITERATURE REVIEW**

In order to understand the factors leading to online purchase intentions in the context of a customized gift industry, it is necessary to investigate the topics separately as the present literature does not support the online customized gift industry as a research topic in its own right. Therefore this literature review first examines gift-giving behavior and the gift-giving process, secondly the literature will be used to identify major factors leading to online purchase intentions, and thirdly to explore customization. The final focus of the literature review will be to complete a conceptual framework that can be empirically tested along with associated hypotheses. The approach made in the preceding paragraph suggests a theoretical framework as shown in Figure 1.

The relationship of these four influential factors, namely price, product quality, brand image, and delivery time, with online purchasing behavior is shown in Figure 1. The next topics will examine, identify, and show correlations between these variables in the context of the online customized gifts industry in Denmark, ultimately enabling the formulation of an original conceptual framework.

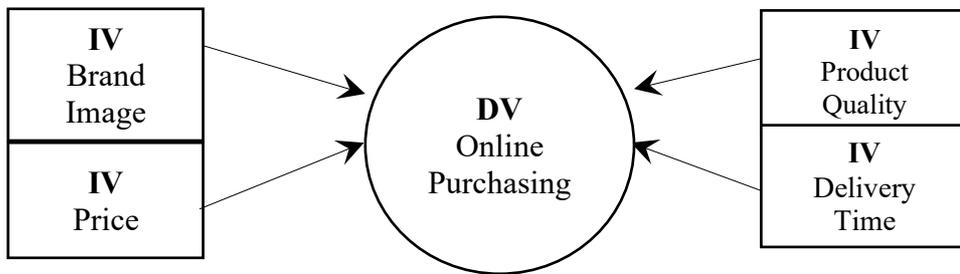


Figure 1. Theoretical Framework.

### Danish Gift Culture

Gift giving has long been a subject of interest to anthropologists and sociologists (Levi-Straus, 1965; Sahlins, 1972). The value of an intention to give is highly influenced by culture and gender, and clearly evidenced hereof (Beatty et al., 1991; Park, 1998; Joy, 2001). By these means, cultural exchanges are governed by social conventions, such as symbolic and economic norms (Schiffman & Cohn, 2009), while these norms or rules often determine how to satisfy the recipient. Therefore, culture plays a major role in terms of measuring gift giving behaviors. In a previous study conducted by Beatty et al. (1991), two value segments were found comparing American and Japanese adults, regarding who exerted more effort into gift selection: more effort was given in selecting gifts by individuals who valued self-respect or warm relationships with others as most important, while others who identified fun and enjoyment or excitement as their most important

value offered fewer gifts and exerted less effort in gift selection. The individuals who endorsed sense of belonging, self-respect or warm relationships viewed themselves as more *intense gift givers*, than the second value segment.

Later, a newer study (Otness & Beltramini, 1996) extended Beatty et al.'s (1991) study to parents and students in the United States, France, and West Germany. The respondent groups were analyzed by a series of multivariate and univariate analyses, applying the two dependent variables of gift selection effort. Overall, the results stated that among these four countries, the United States and West Germany had higher scores for gift selection effort, while Danish and French groups had lower scores. This statement is relevant for the current study, as the results stated that Danes are not considered to be *intense gift givers*, and therefore customized gift books might not adapt well in the Danish gift market, compared to Japan, the USA or West Germany, where citizens tend to exert more effort into gift selection.

## Defining Gift Giving

Gift giving is defined as two protagonists consisting of a giver as the one who carries out the purchasing process, and the recipient as the receiver of the product (McCracken, 1986). The reasons people buy gifts are due to the impacts of the gift giving as well as its cultural and ritual meanings (McCracken, 1986; Mysterud et al., 2006). For these reasons, most people have learned to form an attitude of commitment to gift giving, in that once the protagonist is in the position of the giver, he or she is likely to feel socially obligated by reciprocity (Mauss, 1925).

Meanwhile, gift-giving behavior can be rewarded through maintenance of social ties (Ruth et al., 1999) or punished if the recipient is disappointed by the gift and seeks distance (Sherry et al., 1992; Lastovicka & Fernandez, 2005). As can be seen, emotional values are highly involved in the gift giving process, and obviously the stronger relationship between the giver and receiver, the more emotions are involved to satisfy him or her. This explains why consumers often spend more time in selecting gifts (Nomura, 2009) and how marketers have recognized gift giving as an emotional material (Fischer & Arnold, 1990; Huang & Yu, 2000). Hence, to fully understand what gift giving is about, it is necessary to look into the gift giving process.

## Understanding Gift Giving Process

The three stages of gift giving describe stages including gestation, presentation and reformulation (Wayne et al., 2013). The model shows that the first stage of *gestation* considers **what** to give someone; this includes the motives, nature of the gift, value and searching time. The second stage is *presentation* **wherein** the gift is actually presented, including attending the ceremony, planning the timing and surprise elements, and paying attention to the recipient and reaction. The final stage is *reformulation* in which **after** the gift has been handed to the recipient, the giver reevaluates the relationship based on the gift giving experience. In addition, the gestation stage is regarded as the most complex phase in terms of the consumer decision-making process. Based on the consumer's perspective, the gestation stage is involved in problem recognition, information searching, evaluation of alternatives, and the final purchase, which are necessary to determine which items to procure regardless of whether this stage occurs in physical or online stores.

## Online Purchasing

Online purchasing has become a normal means of buying gifts, and refers to the browsing and buying behavior of individuals when they shop online (Ahuja et al., 2013). According to Rowley (1996), online purchasing typically involves:

(1) searching, browsing and identifying goods of interest, (2) selecting and ordering, (3) making a secured payment, (4) and the delivery of the purchase.

Since online purchasing emerged there are no geographical boundaries for marketers and consumers, as the approach has been adapted to global markets in the last two decades (Yulihari et al., 2011). According to estimates from the Confederation of Danish Enterprise (2014), Danish spending on online purchases reached a total value of 82 billion DKK in 2014, compared to 69 billion DKK in 2013. In fact, Simonsen (2012) had pointed out that online European retail would reach a total value of US\$230.4 billion by 2016. These figures indicate the potential for the development of an online gift industry in Europe. Hence, it is necessary to understand how individual buyers act when using business-to-consumer Internet sites as online shoppers or consumers in order to increase the probability of purchase intentions.

### Purchase Intentions

The construct of purchase intention is defined as the purchase probability that is associated with the intention of individuals to actually buy the product (Geurts & Swenson, 1993). Often, it pertains to consumers who make repetitious purchases and would come back to the preferred firm (Halim & Hamed, 2005). For the current study, online purchase intention is defined as the intention to shop online, indicating whether the

online shopper is going to buy a product and the willingness to purchase goods from the same online retailer in the future (Mercy, 2014).

To illustrate, a study conducted by Akar and Nasir (2015) is summarized in Figure 2; this study comprised of an extensive and in-depth analysis of 100 relevant articles from 2000 to 2014, identifying 57 factors influencing online purchase intentions.

### Perceived Risks

For all types of purchases, there are associated risks. Thus, perceived risk is regarded as one of the most important dimensions in Akar and Nasir's study, and has been defined as – “a belief that there may be negative consequences if the person chooses the wrong option,” (Solomon, 2015, p. 132); it therefore deals with a consumer's level of uncertainty with regards to a purchase decision. Literature has reviewed six types of perceived risk; *monetary risk*, *functional risk*, *physical risk*, *social risk*, *psychological risk* (Solomon, 2015), and *time risk* (Evans and Berman, 2010).

Remarkably, in the context of gift giving, five out of six perceived risks have been identified. **Monetary risk** depends on the price of the gift, in which the higher the price, the greater risk. **Functional risk** is concerned with whether the gift will perform or not, which eventually will be shown in the reformulation stage. **Social risk** is significantly high for gift giving depending on social, individual and

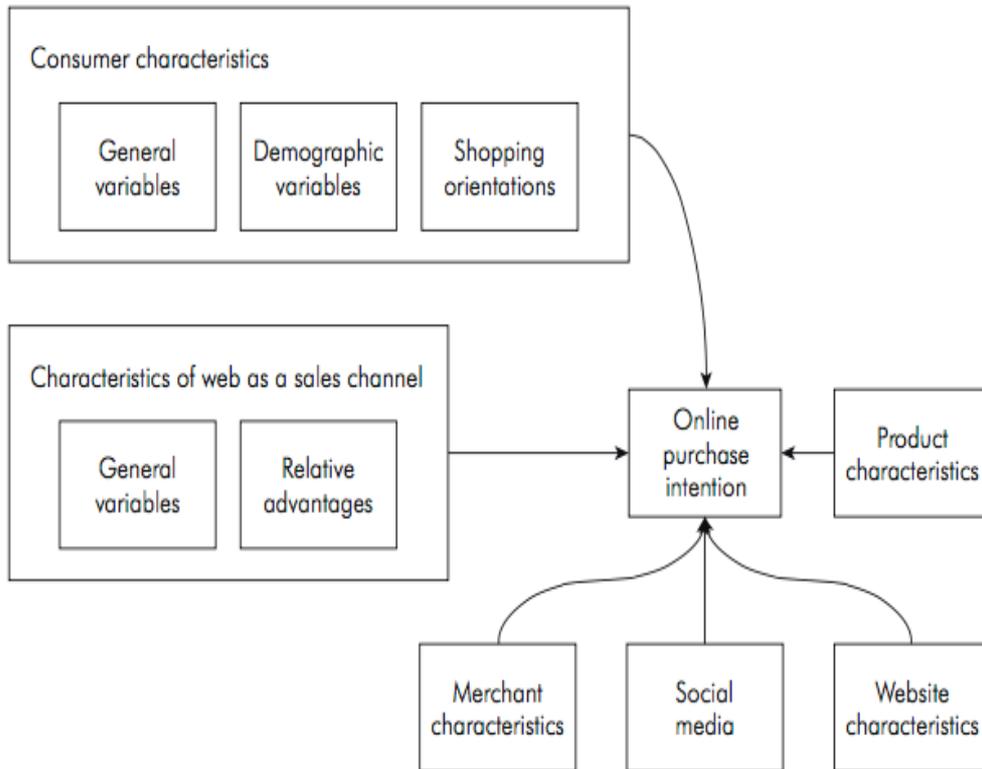


Figure 2: Categorization of Framework  
Source: Akar and Nasir, 2015: 7

cultural norms. These exist to be followed, and if violated, might result in punishments forcing the consumer to feel guilt, shame, embarrassment, anxiety or other negative feelings (Basu, 2001). **Psychological risk** occurs when there is a conflict with the giver's sense of self-identity, for instance, the giver chooses to buy an expensive gift to avoid any harm to his or her own ego, even if the giver is not sure if the recipient will like the gift or not. **Time risk** is demonstrated in the gestation stage which itself demonstrates the complexity of the gift giving process, and how time-consuming it can be. Some gifts can be planned within minutes, while

others may take hours, days, months or even years. Obviously, the more time spent on planning the gift, the higher the risk for wasting time and effort.

### Factors Of Online Gift Purchase Intentions

Generally speaking, all 57 factors can be considered valuable for online businesses, but with certain limitations, it is evident that some factors deserve greater attention than others.

One study applied research that was conducted by several online market research firms (Han et al., 2006),

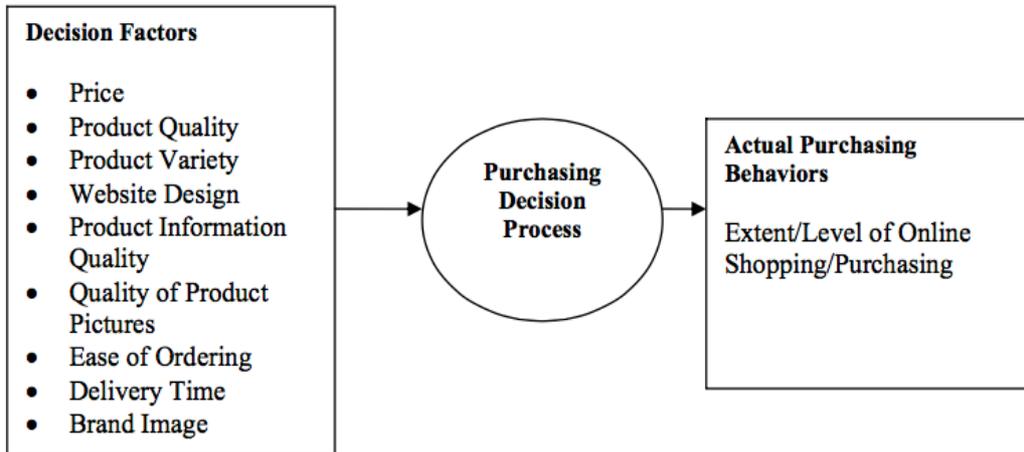


Figure 3: Crucial Purchase Decision Factors  
Source: Han et al., 2006: 11.

reducing the large scope of 57 factors to 10 major purchasing decision-making factors which are summarized in Figure 3

The factors identified cover the categories of website characteristics, product characteristics, and merchant characteristics. Due to the lack of literature, this study used the analysis of perceived risks in contrast with ten major purchasing decision-making factors, to identify the most influential factors of online gift purchase intentions. Therefore, factors directly linked to perceived risks are evaluated as the most influential factors, including customization as the main component for the study.

**Monetary risk:** According to Kotler and Keller (2006), *price* is a key factor in stimulating consumers to purchase. With regards to gift giving, the price of a gift is a way to determine tangible expressions of social relationships (Sherry, 1983). The gift price likely depends on the relationship between the protagonists.

**Functional risk:** As aforementioned, functional risk will often be shown in the reformulation stage, and concerns whether the gift will perform or not, based on *product quality*. **Social risk and psychological risk:** For gifts, *brand image* is an important contributing factor, both in avoiding punishment such as guilt, shame, embarrassment, anxiety and other negative feelings (Basu, 2001), and in having a positive relationship with self-identity. **Time risk:** Commonly, gifts must be presented to the receiver within a certain time-constraint, *delivery time* is therefore important.

To summarize, the most influential factors are as follows: (1) brand image (2) price, (3) product quality, and (4) delivery time. However, it is not possible to operationalize brand image as an attribute in the current study, as the setting of the research topic does not allow relations with any specific established brands. As a result, this study focuses on the three remaining

attributes, replacing (1) brand image with the most relevant attribute for this study which is customization, and how these are correlated with online purchase behavioral intentions.

### **Customization**

Customization is viewed from a product-based aspect, as a request for “standard configuration in response to specific features that are not common to standard features” (Sievänen, 2002, p. 2). Rogers (1997) defined it as customizing some features of a product so that the consumer enjoys some other benefits. Furthermore, as part of Garvin’s 8 Dimensions of Quality (1987), customization appears to be linked with product service quality, which refers to “the degree (to which) a product or service meets individual requests for special treatment” (Bohn, 2013, p. 8).

Overall, these studies found a positive relationship between customization and behavioral intentions, while they also discovered that consumers are often willing to make premium payments for customized products, if their needs are better met.

### **Price**

From a consumer’s point of view, price has been defined as what is given, or sacrificed in order to obtain a product (Ahtola, 1984), and the value of a good or service which the consumer uses to compare and evaluate (Gall-Ely, 2010). In context with monetary economics, price is

conceived as the quantity of money produced by central banks (Belongia & Ireland, 2006). Putting these definitions together, this study defines price as an objective price, which is the actual price of the product (Jacoby & Jerry, 1977).

Objective monetary price is one way to look at the concept, but in reality, price often appears as a mixture of both monetary and non-monetary aspects that include the costs consumers pay for a product other than money, such as time, effort and risk (Zeithaml, 1988). In fact, in terms of gift giving, price is likely to depend on high involvement of non-monetary factors due to the high complexity of the gift giving process. In this case, the monetary expense is the cash that was needed in order to purchase the gift. Time is the time spent in searching for the gift. Lastly, risk factor refers to the perceived risks and risks taken in the anticipated believed benefits that the gift will generate, such as a better relationship and positive reaction. Despite the importance of the non-monetary prices of gift-giving behavior, it is not possible to include non-monetary prices in the current study, as these are too comprehensive; such a study would require its own research paper.

### **Product Quality**

The concept of quality is multidimensional and is therefore not easily defined or measured. Furthermore, there is a distinction between objective quality and perceived quality, while objective has

been defined as the actual technical part of the product that can be verified and measured (Monroe & Krishnan, 1985), perceived quality is defined as the “consumer’s judgment about a product’s overall excellence” (Zeithaml, 1988). In terms of understanding the product quality of a customized gift product, it is necessary to look at the perceived product quality for its core performance; basically, the primary reasons that the product was purchased (Garvin, 1987). Nonetheless, the main reason for gift giving is to gain a positive emotional reaction from the recipient (Liao & Yu-Huang, 2006).

Perceived product quality is likely to be one of the most important constructs in marketing, as it drives the beneficial impact of purchase intentions. Several studies have shown that quality has a significant effect on consumers’ satisfaction, which will likely encourage individuals to be more loyal, increase repeat purchases and create positive word-of-mouth (Baker & Crompton, 2000). In fact, many other researchers have confirmed the positive relationship between quality and behavioral intentions.

### **Delivery Time**

Aside from the aforementioned factors, delivery time also greatly influences the purchase intentions of consumers. This study defines delivery time as the difference between the earliest and the latest acceptable delivery period (Bushuev,

2013) – and refers to the duration of waiting time between ordering and fulfillment (Garvin, 1987). Indeed, delivery time appears to be highly linked to the actual performance of a product, as well as being an attribute that increases quality (Burton, Sheater, & Roberts, 2003). By this definition, delivery time is considered as an aspect of performance that is objectively assessed (i.e. delivery performance, waiting time, speed).

Porter (1980) further identified delivery time as a competitive performance, and therefore the construct of delivery time has been accorded by numerous empirical studies to be a major concern to consumers’ behavioral intentions. Overall, Katz and Larson (1991) found that satisfaction level is likely to decrease if the actual waiting time increases. In fact, a report conducted by UPS PULSE (2013), which surveyed 3000 online shoppers in the US, showed that 44 % of shoppers abandoned their carts before checking out due to long shipping times.

### **Findings**

In essence, literature has emphasized a significant importance of the following factors; trust, perceived risk, and attitude. It shows that trust contributes a significant positive relationship in online purchase intentions, while perceived risk contributes a negative relationship, and attitude contributes a positive relationship. After widely exploring all major factors, the final four most influential factors that

affect online customized gift purchase intentions the most, have been identified as “customization,” “price,” “product quality”, and “delivery time,” as presented in the conceptual framework in Figure 4.

These four key attributes were captured during a critical review of the gift-giving process, which is highly influenced by analysis of the perceived risks of monetary risk, functional risk, social risk, psychological risk, and time risk, as the most tangible elements to determine the crucial factors in terms of online customized gift-giving. Therefore, after reviewing the practical relevance of the literature, the development of the conceptual framework and formulation of the hypotheses to be tested was carried out.

## METHODOLOGY

### Conceptual Framework & Hypotheses

The possible relationship of the four attributes to online purchasing behavior of Danish online consumers in a customized gifts industry is

shown in Figure 4.

**Hypothesis 1:** There is a significant positive relationship between customization and online purchase intention.

**Hypothesis 2:** There is a significant relationship between price and online purchase intention.

**Hypothesis 3:** There is a significant positive relationship between product quality and online purchase intention.

**Hypothesis 4:** There is a significant positive relationship between delivery time and online purchase intention.

**Hypothesis 5:** Purchasing decision factors (i.e. customization, price, product quality and delivery time) influence behavioral intentions in the customized gift industry.

### Research Methodology

The main purpose of this study was to obtain greater insights into online shoppers, individuals of 16-89 years of age who intend to purchase products or services online, in Denmark, through a conjoint analysis measurement to determine part-worth utilities, importances, and shares of preferences for customized gifts.



Figure 4. Conceptual Framework.

From July 23 through August 7, 2016, data were collected with the aid of two professionals from the gift industry. The quantitative data were established through a customized conjoint questionnaire completed by 204 Danish online shoppers through a web-based conjoint survey. All data were gathered into an Excel spreadsheet, and later imported to the R Statistics program in order to code the data analysis procedures. Meanwhile, the qualitative data were collected by the confirmation bias-method of the Thurstone Rating Scale, involving 30 respondents to confirm the attributes of “product quality” and “delivery time.” These data were also gathered into Excel to compute scale score values for each item, and for analysis via average scores.

### **Qualitative Approach: Thurstone Scaling**

The Thurstone method also required a random sampling method wherein the researcher randomly asked respondents regardless of demographic factors, to first confirm that they would buy gift books based on product pictures. Afterwards, they were qualified to rate “product quality” and “delivery time.”

Thurstone is a qualitative method that captures measurement of emotional (subjective) aspects of an experience, in this case the gift givers’ attitudes toward a customized gift book. For this qualitative approach, a confirmation bias was needed, to seek evidence from people and their beliefs of emotional acts and time

consciousness. This was necessary as the researcher was not able to determine human reasoning of “product quality” or “delivery time” for a customized gift book, while a group of people all giving a similar response provide a more extensive and stronger confirmation. Although there are no formulas of the sample size for confirmation bias, it has been determined that the greater the number of people, the more consistent the findings (Nickerson, 1998).

The Thurstone scaling approach was applied to a smaller group of 30 participants using Rating Scale Items with two different product quality designs, along with four time frames. Judges (i.e. participants) observed and rated each statement on a 1-11 scale, indicating the most favorable attitude; 1 being the lowest and 11 being the highest level regarding both product quality and delivery time. This procedure allows for the determination of what is meant by “product quality” and “delivery time” from the perspective of customized gift purchasing via the illustrated consistency (agreement).

### **Quantitative Approach: Choice-Based Conjoint**

Choice-based conjoint (CBC) analysis was chosen for the study as it enables reduced task complexity for the respondent (Hair, Black, Babin, & Anderson, 2010). In this study, a web-based survey was disseminated through a public link on social media platforms, business forums, emails, and study groups, among others, and

was delivered through Survey Gizmo. Non-probability sampling was applied, meaning that respondents were selected from the population randomly, with no specific locations.

Moreover, the choice-based conjoint analysis (CBC) was used to derive utility score estimations; the study conducted descriptive statistics with relative importance scores being converted into percentages and part-worth utilities scores for each attribute level (Malhotra & Birks, 2007). Ultimately, the four key attributes of “customization,” “price,” “product quality” and “delivery time” were established, along four levels, with each indicating a full factorial design of 256 sets (4x4x4x4). However, the problem with a full-factorial design is that it is too cost-prohibitive. To handle this issue, this study applied random fractional factorial design utilizing orthogonal arrays, resulting in 16 products. The data totaled 13,376 (209x16x4) observations, resulting from 64 responses (16x4). However, with missing values from 5 respondents, data from only 204 respondents was accepted for the final data set.

### Constructing the Profiles

In the CBC, respondents were asked to choose between 16 products, along with 10 questions regarding demographic factors and online gift purchasing information, which totaled 26 questions. A conjoint questionnaire is more efficient for web-based surveys, such as the one applied in this study, considering the

study’s sample size. The questionnaire was developed in Danish, while the final instrument was shown in English, along with the demographic findings of the collected data and full graphics.

In this regard, the respondent or individual makes a choice among a set of choice alternatives. The collected data were analyzed using multinomial *logit* or *probit* models for the non-probability of the web-based conjoint questionnaire, while respondents were presented with 3 tasks and a “None” option (Haaijer, 1999).

To create an efficient design for this study, the researcher applied the package **Support.CEs** version 0.4.1 in R software. The data analysis for the conjoint questionnaire, was generated with R statistics applying Unconditional Logistic Models (Haaijer, 1999).

### Constructing the Attributes

Attributes measurement is an important statistical technique in marketing, utilizing individual attributes based on the selection or ranking of a defined set of combinations and attribute values (Green & Rao, 1971). In addition, the conjoint instrument measures from the buyer’s view of products, in the context of different attributes and levels, and the buyer is therefore asked to place a certain utility (value) on each of the product characteristics, enabling measurement of the overall utility of a given product by summing up the value of its parts (levels).

Firstly, to measure the

“customization” attribute, respondents were asked to choose different customization features compared with other attribute levels. Based from Tsiaotso (2005), and Broekhuizen and Alsem’s Mass Customization Types Model (2002), four customization levels were selected: level 1 being a purely standardized model (no customization), and level 4 having a high level of tailored customization.

Secondly, monetary price was measured in terms of utility score estimations, by expressing the monetary value in Danish Kroner (DKK) based on the market costs of gift market prices. The respondents were asked to choose tradeoffs based on four levels of price along with other attribute levels, ranging from low (level 1) to high (level 4), according to Hoch et al.’s (1995) measurement of price. Furthermore, each question includes a setting statement of “*the recipient is a romantic partner, family member, or friend,*” as gift price has been shown to be influenced by the relationship with the recipient.

Thirdly, after confirming that the product design generated the highest level of product quality using Thurstone Scaling, the conjoint questionnaire asked respondents to choose their most preferred gift book; the choice consisted of two product pictures showing the highest level of product quality, and explaining the quality features of hardcover vs. paperback, including the physical characteristics of the gift book (books’ cover quality and color

quality) for measurement.

Lastly, delivery time also required confirmation bias (evidence) from other people to determine different time frames for customized gifts. In this regard, 30 respondents confirmed the levels of early, on-time, and late delivery (Melnyk et al., 2010) through Thurstone Scaling. After validation, these timeframes were based on four periods captured from existing dealership and supplier timeframes (DeSarbo, 1988), with level 1 being early delivery and level 4 late delivery.

## RESULTS AND DISCUSSION

### Descriptive Statistics

The results in Table 1 show how interested respondents were in purchasing the gift book. It can be observed that the level of pure standardization (1<sup>st</sup> level) was the most preferred by respondents, with 28.6% of respondents having no preference for customization. However, the otherside of this conflict is that 71.4 % of respondents prefer some sort of customization, with no significant difference between the low, medium or high levels of customization.

For the price attribute, as presented in Table 2, the respondents seemed to prefer price level 3 the most when purchasing gifts online. This was defined as 179 DKK (32.0 %), and was followed by price level 4 (28.2%, 189 DKK), price level 1 (26.3 %, 159 DKK), with price level 2 at 169 DKK being the least preferred

**Table 1** Descriptive Percentages of the Customization Attribute

|     |                             | Customization |       |       |       | Total  |
|-----|-----------------------------|---------------|-------|-------|-------|--------|
|     |                             | 1             | 2     | 3     | 4     |        |
| Yes | % Within Intention Purchase | 28.6%         | 23.5% | 19.5% | 28.3% | 100.0% |

**Table 2** Descriptive Percentages of the Price Attribute

|     |                             | Price |       |       |       | Total  |
|-----|-----------------------------|-------|-------|-------|-------|--------|
|     |                             | 1     | 2     | 3     | 4     |        |
| Yes | % Within Intention Purchase | 26.3% | 13.5% | 32.0% | 28.2% | 100.0% |

**Table 3** Descriptive Percentages of the Product Quality Attribute

|     |                             | Product Quality |       |       |       | Total  |
|-----|-----------------------------|-----------------|-------|-------|-------|--------|
|     |                             | 1               | 2     | 3     | 4     |        |
| Yes | % Within Intention Purchase | 27.5%           | 38.2% | 18.7% | 15.6% | 100.0% |

(13.5 %). The results show that online shoppers are willing to pay more for customized gifts. The observed percentages for the price ranges are very close, with the exception of price level 2 at 169 DKK, as only 13.5 % of the respondents prefer this price setting.

Regarding the quality attribute, it can be seen that the 2<sup>nd</sup> and 1<sup>st</sup> levels were the most preferred, followed by 3<sup>rd</sup> and 4<sup>th</sup> levels as less preferred (Table 3). Following this order, most respondents preferred a medium level of product quality (38.2 %), low level of product quality (27.5 %), medium-high level of product quality (18.7 %), or high level of product quality (15.6 %). The observed percentage differences are high, indicating strong preferences, particularly for the 2<sup>nd</sup> and 1<sup>st</sup> product levels.

For the delivery time attribute, as shown above, the 2<sup>nd</sup> and 4<sup>th</sup> levels were the most preferred by the

respondents followed by the 3<sup>rd</sup> level and then the 1<sup>st</sup> level as the least preferred option for respondents interested in purchasing the gift. The findings indicate that respondents who are interested to purchase a customized gift, do not mind waiting a little longer to receive the gift, with 4-7 days and 6-9 days being the most preferred duration of the respondents (34.3% and 33.9% respectively). On the other hand, the delivery option 5-6 days is also a preferred level, with 24.9% of respondents choosing this option, while early delivery of 2 days is not necessary (6.8%).

Overall, the results demonstrated statistical significance at a level 0.05, ( $\chi^2_{13} = 729$ ; *pvalue* < 0.001) for all attributes, indicating a significant relationship between the four key attributes and online behavioral intentions within the customized gift industry.

**Table 4** Descriptive Percentages of the Delivery Time Attribute

|     |                             | Delivery Time |       |       |       | Total  |
|-----|-----------------------------|---------------|-------|-------|-------|--------|
|     |                             | 1             | 2     | 3     | 4     |        |
| Yes | % Within Intention Purchase | 6.8%          | 34.3% | 24.9% | 33.9% | 100.0% |

## HYPOTHESES RESULTS

**Table 5.** Test results for the hypotheses.

| Hypothesis |  | Test Result      |
|------------|--|------------------|
| H1:        | There is a significant positive relationship between customization and online purchase intentions  | <b>Supported</b> |
| H2:        | There is a significant relationship between price and online purchase intentions   | <b>Supported</b> |
| H3:        | There is a significant relationship between product quality and online purchase intentions   | <b>Supported</b> |
| H4:        | There is a significant positive relationship between delivery time and online purchase intentions  | <b>Supported</b> |
| H5:        | Purchasing decision factors (i.e. customization, price, product quality and delivery time) influence decision making in the customized gift industry | <b>Supported</b> |

## CONCLUSION

Ultimately, the study concluded a full set of preference scores (part worth utility) for each attribute level of “customization,” “price,” “product quality” and “delivery time,” while enabling the researcher to discover which product is the best product for customized gifts (i.e. customized gift book), and to characterize the relative importance for Danish online

shoppers. Overall, the results demonstrate statistical significance for all attributes, showing a significant relationship between the four key attributes and online behavioral intentions within the customized gift industry. The results of the part worth coefficients indicate the highest levels of preference as stated below: (1) Low level of tailored customization, i.e. names inside the book, and a standard message (2) Medium level of price, at

169 DKK (3) Low level of product quality, being softcover without color, (4) and Late delivery of 6-9 days.

In particular, customization is likely favored by 71.4% of Danish online shoppers. However, they prefer low levels of tailored customization the most, while the observed percentages showed that no customization is the most preferred level when purchasing gift books online (28.6 %). Secondly, Danish online shoppers are likely to prefer a medium level of price, at most 169 DKK, thus, the observed percentages are conflicting. The medium price indicates price sensitivity among Danish online shoppers, and is very much below their average spending of 235.02 DKK for each gift. However, the findings did not include empirical testing of non-monetary values, such as social, cultural, individual, occasional and situational factors, that are likely to influence gift giving. Literature findings did suggest that Danish gift culture is evoked from the segment of individuals who select fun and enjoyment or excitement as their most important value. These individuals are likely to give fewer gifts and exert less effort in gift selection (Otness & Beltramini, 1996). Danes are considered as individuals that emphasize more “I” rather than “We”, and are likely to care for themselves and their immediate families more than others, explaining why most online gift shoppers would rather choose a low level of tailored customization, pay a medium price for a gift, are willing to accept low levels of product quality,

and wait longer for customized gifts. Danes are not considered *intense gift givers*, and therefore, their gift anxiety is low compared to other gift cultures which include groups of individuals who select gifts out of self-respect or warm relationships with others as their most important value. The study supported an increasing demand for customized gifts in Denmark, and the trend is likely to grow on a global scale.

## RECOMMENDATIONS FOR FUTURE RESEARCH

The first recommendation is to address further studies including the impacts of non-monetary values involving the time spent in searching for a gift, perceived risk implications and risks taken in the belief that the gift will bring anticipated benefits such as better relationships. Further limitations include cultural, individual, occasional and situational factors. These variables may be used for future studies to understand the psychological behavior derived from the intangible assets of purchasing gifts.

The second recommendation is to include an extended analysis including more factors (attributes) for empirical testing. Accordingly, literature has found that social risk and psychological risks are important determinants when purchasing gifts. Therefore, these should be included in future studies, when selecting factors or attributes. In line with the study of Han et al. (2006), brand image is considered as a key attribute.

For the final recommendation, it is suggested that further exploration of the field of online customized gift purchase intentions is conducted, due to a remarkable gap in the literature. Future studies are suggested, to confirm the conceptual framework with supplementary studies, and to seek further confirmation through qualitative approaches.

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