

Research on the Influence of Psychological Distance on Online Shopping Decision

Xiang Gao¹, Yanxia Zhang^{2*}

¹Guangzhou Medical University, Guangzhou, Guangdong Province, China

²Guangzhou College Of Technology And Business, Guangzhou, Guangdong Province, China

*Corresponding Author

Keywords: E-commerce, Online shopping decisions, Marketing, Psychological distance

Abstract: With the rapid development of information technology, the scale of e-commerce continues to expand. The development of e-commerce has changed the pattern of the traditional market and brought new opportunities and challenges to the retail industry. Online shopping decision-making is a relatively complicated process, and consumers need to consider many factors when choosing online shopping. When consumers purchase goods, geographical location, spatial distance, social network, information understanding level, etc. will all cause psychological distance between customers and e-commerce. Psychological distance plays an important role in consumers' purchase intention and is the basis of consumers' purchase decision. In the current context of the prosperity of online shopping market, how to build the evaluation index system of marketing competitiveness has become an important research topic. This paper expounds the connotation of psychological distance and analyzes the influence of psychological distance on consumers' purchase intention.

1. Introduction

With the rapid development of information technology, e-commerce has created a cross-distance trade mode different from traditional trade, changed the traditional market competition pattern, and brought new opportunities and challenges [1]. The rapid development of e-commerce has broken the original competition pattern between traditional enterprises, opened up a new trade pattern and competition pattern, and even gradually became one of the important consumption patterns of people [2]. Online shopping decision-making is a relatively complicated process, and consumers need to consider many factors when choosing online shopping. Merchants' introduction of products, other consumers' online comments, merchants' geographical location and the length of logistics delivery time will all affect consumers' online shopping willingness [3]. Consumer shopping behavior analysis is the basis of successful marketing. Understanding how consumers cause demand, find information, evaluate behavior, decide to buy and the whole process of post-purchase behavior is very important for product positioning and marketing strategy formulation [4]. The continuous improvement of the basic network environment, the diversification and standardization of payment platforms, and the expansion and improvement of the logistics system have all directly driven the rapid development of the online shopping market [5]. After getting different types of information, consumers determine whether they buy a product. These factors will affect consumers' psychological perception and psychological distance, which will have a negligible impact on consumption decisions.

E-commerce has become an important model of commodity transactions. Frequent promotions by major domestic shopping websites have also stimulated new consumer demand for purchases, driving a steady increase in the number of online shopping users [6]. On the basis of the overall laws of the market economy, the principles for evaluating the competitiveness of corporate marketing are scientific and practical. Marketing competitiveness is an emerging theory of corporate competitiveness. Practice has proved that marketing competitiveness constitutes an important part of core competitiveness, and core competitiveness is the basis for the survival and

development of enterprises [7]. While the online shopping market is developing so rapidly, it is also facing many key industry issues and development bottlenecks. In terms of product quality, online shopping often has problems such as inferior product quality, inconsistent product descriptions, and exaggerated and false publicity to deceive consumers into buying [8]. In the context of the current prosperity of the online shopping market, how to build an evaluation index system for marketing competitiveness has become an important research topic. Attaching importance to marketing competitiveness will play a key role in the position of enterprises in the online shopping market. Studying the psychological distance of consumers in the network environment and its impact on online shopping will play an important role in promoting the reform of marketing strategies for online businesses, increasing the sales of goods, and increasing consumer satisfaction.

2. The Frame Effect of Psychological Distance on Online Shopping Decision

The process of individual decision-making is the process of weighing cognitive efforts and emotional values. Individuals hope to make as little cognitive efforts as possible, but get as happy an emotional experience as possible. Consumers' buying behavior is first stimulated, such as the product itself, advertising, income, self-needs, etc. The marketing strategy is to strengthen consumers' sense of inadequacy, to further stimulate consumption needs, to try to make them reach sufficient intensity, and to provide targeted products that can meet their needs, so as to finally transform consumption needs into purchase motives. When the difference of pleasure experience obtained by several schemes is small, the individual tends to the scheme requiring the least effort. When the difference in effort between several schemes is small, the option with higher degree of pleasure will be selected [9]. In online sales, it is necessary to timely grasp the information trends, collect market intelligence, and use information feedback channels such as distributors and stores to understand the market situation and the current situation of competitors.

Enterprises can predict and evaluate their marketing competitiveness according to the situation of market competitors. Based on the analysis and consideration of the results, not only can we get the status quo of the marketing competitiveness of enterprises, but also help enterprises to formulate relevant strategies. When the significance level is low, the customer management ability has a relatively large impact on the marketing performance. However, the other two sub-indicators market learning ability and marketing promotion ability have significant impact on marketing performance, but to a lesser extent. For example, Table 1 shows the estimation and significance test of structural parameters of performance indicators. The relationship between t value and path is shown in figure 1.

Table 1 Estimation of Structure Parameters of Performance Indicators and Significance Test

Path description	t value	Path coefficient
Market learning ability → affect performance	3.51	1.62
Marketing ability → marketing performance	3.38	1.51
Customer management ability → marketing performance	4.26	1.32

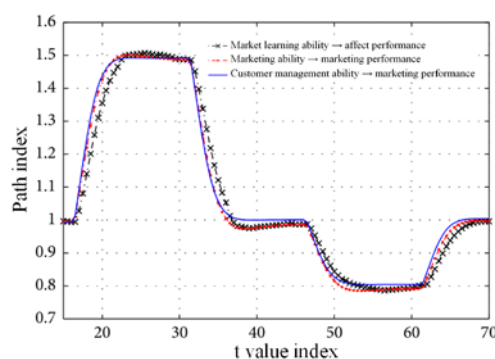


Fig.1 Relationship between t Value and Path

The joint action of cognition and emotion leads to framing effect. However, compared with determining the scheme, the risk scheme requires more cognitive efforts. At the same time, under the negative frame, the degree of pleasure is lower and the sensitivity to loss is higher than that under the positive frame. When the spatial distance of merchants is quite different, the frame effect of consumers when making purchase decisions is obviously different. When businesses are located in close space, consumers have a one-way framing effect that favors risk seeking in decision-making. When merchants are far away from each other, the risk framing effect of consumer decision-making is significant [10]. When the distance between the individual and the stimulus is far away, the psychological distance perceived by the individual is also far away, and the change of the psychological distance will cause the change of the object's psychology so as to affect people's decision-making. People form a psychological distance mechanism when making decisions, which leads to relatively fixed decision results. Different people have different levels of perception and interpretation of different commodities, so their evaluation of products is different. People's perception of cognitive objects has different degrees of abstraction and different levels of personal interpretation, resulting in different psychological distances of cognitive objects.

3. The Influence of Psychological Distance Factors on Online Shopping Intention

3.1 The Influence of Online Shopping Time Distance on Online Shopping

Online shopping itself is a behavior at a low level of explanation. Consumers should clearly analyze and compare the attributes of products to determine whether to buy or not. Therefore, when online shopping behavior is at a long time distance, uncertainty will hinder consumers' online shopping willingness. In all dimensions of psychological distance, time distance is the most basic and the most mature dimension in research results. People's perception of time distance has strong subjectivity and variability. Individuals often show a more positive and optimistic attitude towards what will happen in the distant future, while they show a negative and pessimistic attitude towards what will happen in the near future. The increase of time distance will lead to the shift from low interpretation level to high interpretation level. People's uncertainty about low probability events will lead to people's more abstract understanding of events. Due to the difference of event value and individual's cognition of time discount rate, individual's perception of time discount level will be different. Under the background of global economic development, domestic enterprises are facing severe adjustment, and the degree of environmental development is also increasing.

After establishing the target enterprise's e-commerce investment index system, we can use AHP to evaluate the project risk comprehensively. Compare the relative importance of each factor in the same level with respect to the same factor in the previous level, and construct a pair comparison matrix. Compare the same level indicators, and give the scale score according to the relative importance of indicators. After processing, the judgment matrix of weight is constructed. According to the sample data, the statistical data results of the first level indicators and the comparison of the two levels of indicators are shown in Table 2.

Table 2 Results of Financial Risk Comparison Data

	Return on assets	Operating cash flow	Marginal cost rate
Return on assets	1	0.69	0.48
Operating cash flow	0.46	1	0.73
Marginal cost rate	0.52	0.72	1

3.2 The Influence of Consumers' Perceptions on Online Shopping

Although online shopping is done online, the buying behavior is real. When consumers actually make purchases, they have to make detailed comparison and selection of goods. When people's imagination or uncertainty of objective things changes, their purchasing intention will also change. As people's level of interpretation and psychological distance rise, the focus of thinking will be on the overall goals and core values. Relative increase of psychological distance will reduce the judgment level of consumers, and consumers' judgment on the probability of occurrence of events

will be affected by it. Different distances produce different ways of thinking, which makes it difficult for consumers to form specific feelings. The uncertainty and distrust of online shopping will increase accordingly [11]. The ability of product innovation and development is essentially the ability of enterprises to use market segmentation and market positioning strategy to control the direction and speed of technological innovation and application. Personal psychological factors will lead to different psychological distance between e-commerce and consumers, which is very obvious. With the continuous development of market economy and the change of consumer demand, the market refinement oriented by consumer individual demand has become an inevitable trend of marketing.

4. Conclusion

In the online consumption scenario, consumers have more choices and massive information, face more risks and uncertainties, and the psychological distance of online consumers is widespread. When the distance between the individual and the stimulus is far away, the psychological distance perceived by the individual is also far away, and the change of the psychological distance will cause the change of the object's psychology so as to affect people's decision-making. People form a psychological distance mechanism when making decisions, which leads to relatively fixed decision results. When consumers actually make purchases, they have to make detailed comparison and selection of goods. When people's imagination or uncertainty of objective things changes, their purchasing intention will also change. Perceived uncertainty plays a part of intermediary role in the impact of time distance on perceived risk of online shopping, and a longer time distance brings a higher perceived uncertainty. Due to the difference of event value and individual's cognition of time discount rate, individual's perception of time discount level will be different. Under the background of global economic development, domestic enterprises are facing severe adjustment, and the degree of environmental development is also increasing. When online consumers have different psychological distance, their perception of online commodity information is at different levels of interpretation, which affects their purchase decisions.

References

- [1] Wang Lirong, Zhao Dongmei, Huang Heting. Research on the Online Shopping and Consumption Behavior of the New Generation of Migrant Workers--A Discussion Based on Psychological Distance [J]. Rural Economy, 2014 (2): 41-44.
- [2] Li Xia. Intermediate factors of trust, perceived quality of online shopping and purchase decision [J]. Social Psychological Science, 2014 (9): 6-10.
- [3] Tang Tiantian, Hu Pei. Statistical explanation of the influence of social distance and time distance on consumers' online purchasing decision behavior [J]. Statistics and Decision, 2018 (15): 53-56.
- [4] Le Qi, Zhang Lei, Wang Zhongxing. Matching Decision Considering Subject's Psychological Behavior under Incomplete Order Value Information [J]. Fuzzy Systems and Mathematics, 2014, 28 (4): 90-99.
- [5] Wu Jingjie, Yang Naiding. Emergency decision-making model considering decision-makers' psychological behaviors [J]. Statistics and Decision, 2019 (7): 53-56.
- [6] Li Tingting, Li Yanjun, Li Wanjuan. Research on the Trust Chain Model in Farmers' Purchase Decision Based on Psychological Distance Context [J]. Forecast, 2016 (1): 35-42.
- [7] Liu Tong, Ma Jiwei, Li Xin, et al. The influence of selection set size on attitude and behavior of online shopping decisions [J]. Psychological Science, 2017, 40 (2): 463-470.
- [8] Tian Xian. Empirical Analysis of Consumers' Online Shopping Decisions on Mobile Phones [J]. Journal of Changsha University of Science and Technology (Social Science Edition), 2015, 30 (2):

105-110.

[9] Duan Jinyun, Wang Xuepeng, Gu Xiaohua. The effect of psychological distance on regrets [J]. *Studies in Psychology and Behavior*, 2014, 12 (5): 671-674.

[10] Chen Hongyan. The relationship between online shoppers' self-concepts and consumer decision-making styles [J]. *Chinese Journal of Health Psychology*, 2015,; 23 (8): 1186-1190.

[11] Chen Haixian, He Guibing. The effect of psychological distance on intertemporal choice and risk choice [J]. *Acta Psychologica Sinica*, 2014 (5): 677-690.