The Enigma of Consumer Shopping Behavior in the Digitalized Environment

Prof (Dr.) K R Subramanian, Usha Jaiswal

Abstract—Current research trends have shown an interest in investigating consumer motivations that affect the online shopping behavior. Understanding what factors influence online shopping decision process is an important challenge for marketers in the current digital era. The objective of this study is to provide an overview of online shopping decision process by comparing the offline and online decision making and identifying the factors that motivate online customers to decide purchases online. As expected, marketing communication process differs between offline and online consumer decision making. Managerial implications are studied for online stores to improve their website and the marketing communication process.

Index Terms—online shopping, online shopper behavior, online shopping decision

I. INTRODUCTION

The internet has been playing a significant role in our daily life in that people can talk through the internet to one who is actually on the other side of the Earth, can send email around the clock, can search information, can play game with others, and even can buy things online. Meanwhile, Internet shopping has been widely accepted as a way of purchasing products and services. It also provides consumer more information and choices to compare product and price, more choice, convenience, easier ways to find anything online (Butler and Peppard, 1998). Online shopping has been shown to provide more satisfaction to modern consumers seeking convenience and speed (Yu and Wu, 2007). On the other hand, some consumers still feel uncomfortable to buy online. Lack of trust, for instance, seems to be the major reason that impedes consumers to buy online. Also, consumers may have a need to exam and feel the products and to meet friends and get some more comments about the products before purchasing. Such factors may have negative influence on consumer decision to shop online.

Online shopping in the USA is predicted to grow continuously to $370 billion in 2017. However, online shopping cart abandonment rate also increases to 73.6% in 2013. Online shopping is more accessible than it has ever been in the digital era with the introduction of tablets, smartphones, easy checkout systems and more secure systems. As a result, the e-commerce industry is generating higher sales volume. According to Forrester Research, the online retail sales volume for the US 2012 is $231 billion. This figure is predicted to grow continually to $370 billion in 2017. Forrester also reports that 53% of people in the US shopped online in 2011 and it is predicted to grow to 58% in 2016, according to the U.S. Census Bureau. Online shopping in India is closely following on the heels of US. The present study provides a theoretical and conceptual background that would illustrate the differences between offline and online consumer behavior process. Then we identify some basic factors that drive consumers to decide to buy or not to buy through online channel. Finally, we draw managerial implications of how online sellers can use this knowledge to improve their online stores to be more attractive and get more online shoppers. The process of making decision are very similar whether the consumer is offline or online. But some of the major differences are shopping environment and marketing communication. According to traditional consumer decision model, Consumer purchase decision typically starts with need awareness, information search, alternative evaluations, deciding to purchase and finally, post-purchasing behavior.

II. RESEARCH OBJECTIVES

To study the evolving online shopping trends and develop a sitemap of the online system based on the identified needs of the customers

1. To study consumer purchase patterns and their intention and desire to purchase products online.
2. To identify driving forces influencing customer toward on line shopping
3. To critically analyze the customer trust and confidence in online purchase system
4. To identify weaknesses in the existing online shopping system and difficulties in the system as expressed by the users.
5. To suggest ways and means to improve shopping experience online.

III. RESEARCH METHODOLOGY

The availability and easy accessibility of published literature has made it possible to conduct a comprehensive desk research and review to find answers to the research questions. This method is also considered appropriate since the topic is about online shopping and the researcher himself decided to do some online shopping for relevant literature. The bibliography at the end of the paper gives a detailed list of references made to arrive at the conclusions.

IV. REVIEW OF LITERATURE

In terms of online communication, when customers see banner ads or online promotion, these advertisements may attract customers and stimulate their interest in specific products. Before they decide to purchase, they will need additional information to help them out. If they do not have

Manuscript received Aug 06, 2016
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enough information, they will search through online channels, e.g., online catalogs, websites, or search engines (Laudon and Traver, 2009). When customers have enough information, they will need to compare these choices of products or services. In the search stage, they might look for the product reviews or customer comments. They will find out which brand or company offers them the best fit to their expectation. During this stage, well-organized web site structure and the attractive design are important things to persuade consumers to be interested in buying product and service (Koo et al., 2008). Moreover, the information sources’ nature may influence buyer behavior (Bigné-Alcañiz et al., 2008). The most useful characteristic of internet is that it supports the pre-purchase stage (Matignan and Lukas, 1997) as it helps customers compare different options (Dickson, 2000). During the purchasing stage, product assortment, sale services and information quality seem to be the most important point to help consumers decide what product they should select, or what seller they should buy from (Koo et al., 2008). Post-purchase behavior will become more important after their online purchase. Consumers sometimes have a problem or concern about the product, or they might want to change or return the product that they have bought. Thus, return and exchange services become more important at this stage (Liang and Lai, 2002).

All five stages described above are affected by external factors of risks and trusts (Comegys et al., 2009). The search process is a significant component of customer’s online shopping behavior (Seock and Norton, 2007). The source risk comes in the stage of information search and evaluation because the information in the web sites might contain some mistakes. Some websites require customers to register before searching their website. Because of the nature of online purchasing, customers take the risk as they are not able to examine the product before purchasing. They also take the risk in the payment process because they need to provide personal information including their credit card number. Security problem does not stop at the purchase stage but continues to the post-purchase stage because their personal information might be misused. Based on compete.com, 94% of online shoppers conduct research before purchasing and 61% of online shoppers use search engines to discover information when shopping online. Also, according to Experian Simmons, more than half of all consumers are “informed consumers,” indicating they tend to gather information about products before purchasing online. Based on a recent research the following Table 1 gives an indication of the various search engines used by consumers in the process of buying products through online sources.

According to data as given below GOOGLE leads the search engine used by shoppers on the Net (Table 2).

<table>
<thead>
<tr>
<th>Channel</th>
<th>Session Share</th>
<th>Conversion Rate</th>
<th>AOV</th>
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<tr>
<td>AOL</td>
<td>1.74%</td>
<td>2.0%</td>
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<td>Bing</td>
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<td>Google</td>
<td>80.02%</td>
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<tr>
<td>Yahoo</td>
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Table 2

According to chitika.com, consumers only have the patience to view the first two pages of search engine results pages (SERPs) and a very small percentage of consumers will actually click beyond the first page, though we’ve conducted our own research on search behavior, which suggests that 90% of users regularly check the second page of search results – and that number increases with age.

<table>
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<th>Percent Of Traffic by Google Result</th>
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Table 3

Source: chitika.com, 2010

Based on the above findings, we cannot deny the importance of search engines for the ecommerce sites. Therefore, search engine optimization (SEO) is crucial to ecommerce sites. Competing to rank for product keywords on the first page of SERPs, especially the top spots should be a top priority (and major budgeting consideration) for every ecommerce site. Finding the low hanging fruits that are high search volume and low competition keywords is something every internet retailer should do to gain competitive edge in the digital era.

V. ROLE OF SOCIAL MEDIA IN ONLINE SHOPPING

Looking at the same chart from Rich Relevance we can infer that social media is a small channel getting the online shoppers to the sites. However, the average order value (AOV) of shoppers from Twitter was the highest among all shoppers, $121.33.
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Table 4

Source: Rich Relevance, 2011

Generally Social media requires low investment but has high returns! As an internet retailer, if you don’t already have the social media platforms, you should start it today! As retailers begin to see the ROI potential of social media, it is likely that the channel’s growth will follow the same pattern as organic search.

The process of making decision is very similar whether the consumer is offline or online. But some major differences are shopping environment and marketing communication. According to traditional consumer decision model, Consumer purchase decision typically starts with need awareness, then information search, alternative evaluations, deciding to purchase and finally, post-purchasing behavior.

When consumers want to buy product, they will look at the brand and the characteristics of product or service. Some products can be purchased and shipped easily online such as, software, books. On the other hand, some products are hard to decide through online channel. Web Site feature is one of the important things that can influence consumers to buy product online. For example, online retailers can use high technology to improve their websites in order to influence consumer perceptions of the web environment (Prasad and Arysari, 2009). If the web site is too slow, not navigable or not safe enough, will have negative impact consumer willingness to try or buy products from the website. Consumer experience with online shopping (Brockhuizen and Huizingh, 2009) or consumer skills, which refer to the knowledge that consumers have about product, and how online shopping works (Laudon and Traver, 2009) also influences online shopping behaviors.

Clickstream behavior is another aspect that becomes more important in the online world. It refers to the behavior that consumers search for information through web sites many sites at the same time, then to a single site, then to a single page, and finally to a decision to purchase (Laudon and Traver, 2009). All these factors lead to specific attitudes and behaviors about online purchasing and a sense that they can control their purchasing environment thru the online world.

There are many reasons why people shop online. For example, consumers can buy anything at any time without going to the store; they can find the same product at a lower price by comparing different websites at the same time; they sometime want to avoid pressure when having a face-to-face interaction with salespeople; they can avoid in store traffic jam, etc. These factors can be summarized into four categories—convenience, information, available products and services, and cost and time efficiency.

Convenience: Empirical research shows that convenience of the internet is one of the impact factors on consumers’ willingness to buy online (Wang et al., 2005). Online shopping is available for customers around the clock comparing to traditional store as it is open 24 hours a day, 7 days a week (Hofacker, 2001; Wang et al., 2005). Research shows that 58 percent chose to shop online because they could shop after-hours, when the traditional stores are closed and 61 percent of the respondents selected to shop online because they want to avoid crowds and waiting lines, especially in holiday shopping (The Tech Faq, 2008). Some customers use online channels just to escape from face-to-face interaction with salesperson because they feel pressure or discomfort when dealing with salespeople and do not want to be manipulated and controlled in the marketplace (Goldsmith and Flynn, 2005; Parks, 2008).

Information: The internet has made the data accessing easier (Wang et al., 2005). Given customers rarely have a chance to touch and feel product and service online before they make decision, online sellers normally provide more product information that customers can use when making a purchase (Lim and Dubinsky, 2004). Customers put the weight on the information that meets their information needs (Keeney’s, 1999). In addition to get information from its website, consumers can also benefit from products’ reviews by other customers. They can read those reviews before they make a decision.

Availability of products and services: E-commerce has made a transaction easier than it was and online stores offer consumers benefits by providing more variety of products and services that they can choose from (Lim and Dubinsky, 2004; Prasad and Arysari, 2009). Consumers can find all kinds of products which might be available only online from all over the world. Most companies have their own websites to offer products or services online, no matter whether they already have their front store or not. Many traditional retailers sell certain products only through online to reduce their retailing costs or to offer customers more choices of sizes, colors, or features. Moreover, online shopping sometimes offer good payment plans (Amin, 2009) and options for customers. Customers can decide their payment date and amount (Anonymous, 2009) in their own preference and convenience.

Cost and time efficiency: Because online shopping customers are often offered a better deal, they can get the same product as they buy at store at a lower price (Rox, 2007). Since online stores offer customers with variety of products and services. It gives customers more chances to compare price from different websites and find the products with lower prices than buying from local retailing stores (Lim and Dubinsky, 2004). Again, since online shopping can be anywhere and anytime, it make consumers’ life easier because they do not have to get stuck in the traffic, look for parking spot, wait in checkout lines or be in crowd in store (Childers et al., 2001). As such, customers often find shopping from the website that is offering convenience can reduce their psychological costs (Prasad and Arysari, 2009).

Factors that Impede Consumers from online Shopping:

Major reason that impede consumers from online shopping include unsecured payment, slow shipping, unwanted product, spam or virus, bothersome emails and technology problem. Business should be aware of such major problems which lead to dissatisfaction in online shopping.

Security: Since the payment modes in online shopping are most likely made with credit card, customers sometime pay attention to seller’s information in order to protect themselves.
(Lim and Dubinsky, 2004). Customers tend to buy product and service from the seller who they trust, or brand that they are familiar with (Chen and He, 2003). Online trust is one of the most critical issues that affect the success or failure of online retailers (Prasad and Aryasri, 2009). Security seems to be a big concern that prevent customers from shopping online (Laudon and Traver, 2009) because they worried that the online store will cheat them or misuse their personal information, especially their credit card (Comegys et al., 2009). For instance, report indicated that 70 percent of US web users are seriously worried about their personal information, transaction security, and misuse of private consumer data (Federal Trade Commission, 2001).

**Intangibility of online product:** Some products are less likely to be purchased online because of the intangible nature of the online products. For example, customers are less likely to buy clothes through online channel (Goldsmith and Flynn, 2005) because they have no chance to try or examine actual product (Comegys et al., 2009). Customers viewing a product on computer screen can show a different effect than actually seeing it in the store (Federal Trade Commission, 2003). In sum, customers cannot see, hear, feel, touch, smell, or try the product that they want when using online channel. In many cases, customers prefer to examine the product first and then decide whether or not they want to buy (Junhong, 2009). Some people think the product information provided in website is not enough to make a decision. Online shoppers will be disappointed if the product information does not meet their expectation (Liu and Guo, 2008).

**Social contact:** While some customers are likely to be free from salesperson pressure, many online shopping would feel difficult to make a choice and thus get frustrated if there is no experienced salesperson’s professional assistance (Prasad and Aryasri, 2009). Moreover, some customers are highly socially connected and rely on other peoples’ opinions when making purchase decision tend. There are also customers who sometimes shop at traditional store because they want to fulfill their entertainment and social needs which are limited by online stores (Prasad and Aryasri, 2009).

**Dissatisfaction with online shopping:** Customers’ past online shopping experience often affect their future purchase decision. In online shopping, for example, they may get unwanted product or low quality products, product does match what is described or expected (Comegys et al., 2009). The product may be fragile, wrong, or not working. Some online sellers may not agree to refund those products even though it is not what the customer wanted. Delivery is another thing that affects online purchasing decision. Slow or late shipping, for instance, makes customer walk away from online shopping (Comegys et al., 2009).

**Managerial Implications:** Online shopping is an important business model in e-commerce (Liu and Guo, 2008). If the online sellers want to persuade and retain online buyer, they need to know what issues are important to online buyers to decide their online purchase (Lim and Dubinsky, 2004). To better understand online customer shopping behavior, seller can improve or create the effective marketing program for their customer (Lim and Dubinsky, 2004). There are couple ways that company or seller can do or should do to persuade those who do not shop online to become more interested, and, finally, to be a potential customer.

After looking at major motivations that lead customers to shop online, online sellers should keep those issues in mind and try to satisfy customer whenever possible. Also, understanding what make some customers hesitate to shop online, sellers should find ways to reduce those negative aspects in order to gain more customers by building trustable and secure website, attractive and useful website, offering online service, and offering additional option.

**Trustable and Secure website:** Consumer willingness to buy and patronize online store are affected by consumer’s trust in giving personal information and security for payment through credit card transactions (Whysall, 2000). They also concern about transaction security and data safety when purchasing online (Constantinides, 2004). Getting approved certificate from an organization such as eTrust is one of the ways to make a website more trustable (Korgaonkar and Karson, 2007). By doing so, a website will be more secure and it will increase customer confidence and lead to sale increase. For example, Scribendi, English language editing and proofreading services, bought SSL Certificate from VeriSign—the most trusted mark on the internet; by then site visitors who saw the green address bar made the sale leapt by 27% (Verisign, 2009). When the companies have this certificate, the address bar of their website will change to green color and the Web address will begin with https://; so customers know that the website is secure and trustable (Verisign, 2009).

**User Friendly Website:** Customers can be influenced by the image of the web site when they decide what website or buyer they should buy from (Lim and Dubinsky, 2004). Not only should companies create their secured website, but also should create it to be more attractive and more useful. Online stores can change a shopper into a buyer if the stores provide variety and useful information of product, good customer service, and easy-to-access website (Laudon and Traver, 2009). Their websites should have enough information but should not be too overwhelming. Putting unstructured or useless information in the website can reduce internet usefulness and ease of use (Bigné-Alcainiz et al., 2008). Also, companies and sellers should double-check any single words in their website to reduce mistakes and customers’ misunderstanding. Information quality and visual design is important effect on repurchasing (Koo et al., 2008). The willingness to purchase online will be low if the online store lacks of ease in searching and comparing shopping, and product updates.

**Online Service:** Customer service is as important as quality of website (Liu and Guo, 2008). According to Hermes (2000), 72 percent of online consumers revealed that customer service is a major factor in online shopping satisfaction. Online stores should provide the added-value of service to customers (Wang et al., 2005) and have customer feedback channel in their website (Yu and Wu, 2007). There should be interactivity customer service in the website, so that customers can contact with the seller anywhere and anytime (Lim and Dubinsky, 2004). Software downloading, e-form inquiry, order status tracking, customer comment, and feedback are some of example that online sellers can use to fulfill their online service (Lim and Dubinsky, 2004).

**Additional options:** Because customers are not able to touch or try products before they buy, online store should offer them some additional options. For instance, a money-back
CONCLUSION AND RECOMMENDATION
The role of Search engines to identify suitable web sites and products have been outlined in the desk research findings. During this stage, a well-organized web site structure and attractive and catchy design are important things to persuade consumers to be interested in buying product and service. This is the most attractive feature of the on-line shopping; as this allows the consumer to compare the competitive features of different manufacturers and have a good comparative idea before purchasing. In the five stage purchasing process, the importance of web design to help prospects decide on product features, prices and delivery system as well as post purchase facilities for quick exchanges and return has been highlighted! It has been found that Social media requires low investment but has high returns! As retailers begin to see the ROI potential of social media, it is likely that the channel’s growth will follow the same pattern as organic search since process of making decision is very similar whether the consumer is offline or online; but some major differences are shopping environment and marketing communication. The most useful characteristic of internet is that it supports the pre-purchase stage as it helps customers compare different options. During the purchasing stage, product assortment, sale services and information quality seem to be the most important point to help consumers decide what product they should select, or what seller they should buy from. Post-purchase behavior will become more important after their online purchase. Consumers sometimes have a problem or concern about the product, or they might want to change or return the product that they have bought. Thus, return and exchange services become more important at this stage. The drivers of online purchasing are easily identified. The shopping convenience can be enhanced by good web designs which allow a good view and feel of products along with endorsements from actual users. In the present day working environment customers of various luxury and personal care products do not get the time required for shopping and online shopping well designed gives an attractive option and valuable time saving. Some customers dislike the manipulative tendency of sales persons. With the availability of various credit systems and online payment facilities online shopping has become a good option. In the present day when time is the most important constraint, online shopping has provided the right alternative!
However gaining customer Trust and Confidence is still a challenge for online marketers. The only solution seems to be the good old way of offering quality products at competitive prices. Only such brands survive on this market! To gain customer confidence, companies have to back up their products with good after sales services like warranty and return policies executed swiftly. The online system of purchase has a few weaknesses. You cannot have a ‘product feel’ like the conventional system where you can walk around, see and probably have a free sampling. Some customers like the idea of a social contact during such visits and exchanging pleasantries! The delivery system has to be well tuned to customer expectations. The online marketers are trying to overcome these weaknesses by offering a really quality product which will not be returned by customer. Quick and easy returns and replacements have made this attractive.
The ONLINE SHOPPING is here to stay, as is seen by the phenomenal growth in customers for this mode of purchase. Customers have all the advantages of verifying the credibility of Product and service claims as well as fraudulent practices if any, through the web pages and referrals. The internet has evolving as the most important social medium for customer information and credibility of product claims!

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B. RESEARCH MAGAZINES, PUBLICATIONS AND ARTICLES
The Enigma of Consumer Shopping Behavior in the Digitalized Environment
