

# Consumer Psychosocial Motivations: An affect the Online Shopping Behavior is to decide to buy online throughout the World

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## **ABSTRACT**

*Recent Psychosocial motos are shown an interest in investigating consumer motivations that affect online shopping behaviour. It is yet to understand what factors influence the online shopping decision process. The objective of this study is to provide an overview of the online shopping decision process by comparing the offline and online decision making and identifying the factors that motivate online customers to decide or not to decide to buy online. It is found that the marketing communication process differs between offline and online consumer decision. Managerial implications are developed for online stores to improve their website.*

**Keywords:** *Online shopping, online shopper behaviour, online shopping decision*

## **Introduction**

The internet has played 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 an email around the clock, can search information, can play the 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 has become a more popular means in the Internet world. It also provides the consumer with more information and choices to compare product and price, more choice, convenience, easier to find anything online. Online shopping has been shown to provide more satisfaction to modern consumers seeking convenience and speed. 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 need the exam and

feel the products and to meet friends and get some more comments about the products before purchasing. Such factors may have a negative influence on consumer decision to shop online.

This study first provides a theoretical and conceptual background that illustrates the differences between offline and online consumer behaviour process. Then we identify some basic factors that drive consumers to decide to buy or not to buy through an online channel. Finally, we draw managerial implications of how online sellers can use this knowledge to improve their onlinestores to be more attractive and get more online sh

### **Offline and Online Consumer Decision-making Process**

The process of making a decision is very similar to whether the consumer is offline or online. But one 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 behaviour.

In terms of online communication, when customers see banner ads or online promotion, these advertisements may attract customers' attention and stimulate their interesting particular products. Before they decide to purchase, they will need additional information to help them out. If they do not have enough information, they will search through online channels, e.g., online catalogues, websites, or search engines. When customers have enough information, they will need to compare those choices of products or services. In the search stage, they might look for 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. Moreover, the information sources' nature may influence buyer behaviour. The most useful characteristic of the 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 behaviour 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

All five stages described above are affected by external factors of risks and trusts. The search process is a significant component of customer's online shopping behaviourThe 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. As such, in addition to product risk, consumers also face the risk of information security. 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 may 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.

### **A Framework of Online Consumer Decision**

A framework that compares online consumer decision with offline decision making was developed by Laudon, who suggest that a general consumer behaviour framework requires some modification to take into account new factors.

When consumers want to buy a 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 an online channel. Web site features, firm capabilities, marketing communication stimuli, and consumer skills are also important, in terms of the proposed framework. When consumers want to buy a 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 an online channel. Web Site feature is one of the important things that can influence consumers to buy the product online. For example, online retailers can use high technology to improve their websites to influence consumer perceptions of the web environment. If the web site is too slow, not navigability, or not safe enough, will have negatively impact consumer willingness to try or buy products from the website. or consumer skills, which refer to the knowledge that consumers have about a product, and how online shopping works also influence online shopping behaviours. Clickstream behaviour is another aspect that becomes more important in the online world. It refers to the behaviour that consumers search for information through web sites many sites in the same time, then to a single site, then to a single page, and finally to a decision to purchase. All these factors lead to specific attitudes and behaviours about online purchasing and a sense that they can control their purchasing environment thru the online world.

### **Influences of Online Shopping Decision**

#### **Motivations that lead the consumer to buy online**

There are many reasons why people shop online. For examples, 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 sometimes want to avoid pressure when having a face-to-face interaction with salespeople; they can avoid in a 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 convenient of the internet is one of the impacts on consumers' willingness to buy online (Wang et al., 2005). Online shopping is available for customers around the clock compared to the traditional store as it is open 24 hours a day, 7 days a week. Research shows that 58 per cent chose to shop online because they could shop after-hours, when the traditional stores are closed and 61 per cent of the respondents selected to shop online because they want to avoid crowds and wailing lines, especially in holiday shopping. Consumers not only look for products but also online services. Some companies have online customer services available 24 hours. Therefore, even after business hours, customers can ask questions, get necessary support or assistance, which has provided convenience to consumers.

Some customers use online channels just to escape from face-to-face interaction with a salesperson because they pressure or uncomfortable when dealing with salespeople and do not want to be manipulated and controlled in the marketplace. This is especially true for those customers who may have had a negative experience with the salesperson, or they just want to be free and make a decision by themselves without salespersons' presence.

**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 a 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 (Keency's, 1999). In addition to getting information from its website, consumers can also benefit from products' reviews by other customers. They can read those reviews before they make a decision.

**Available 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. Consumers can find all kinds of products which might be available only online from all over the world. Most companies have their 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 available online to reduce their retailing costs or to offer

customers more choices of sizes, colours, or features. Boccia Titanium, for instance, has stores in many states but not in Connecticut. The company offers a website to reach and to fulfil the need of Connecticut customers to order online. Similarly, Yves Rocher, a French company, does not have the front store in the U.S. It offers the website so that U.S. customers can just add products they want into the online shopping cart and the product will be shipped to their house. Moreover, online shopping sometimes offers good payment plans (Amin, 2009) and options for customers. Customers can decide their payment date and amount (Anonymous, 2009) in their 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 the store at a lower price. Since online stores offer customers with a 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. Some websites, eBay for example, offer customers auction or best offer option, so they can make a good deal for their product. It also makes shopping a real game of chance and treasure hunt and makes shopping fun and entertainment. Again, since online shopping can be anywhere and anytime, it makes consumers' life easier because they do not have to stick in the traffic, look for a parking spot, wait in checkout lines or be in the crowd in the store. As such, customers often find a shop from the website that is offering convenience can reduce their psychological costs.

### **Factors that Impede Consumers from online Shopping**

The major reason that impedes consumers from online shopping includes unsecured payment, slow shipping, unwanted product, spam or virus, bothersome emails and technology problem. The 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 a credit card, customers sometimes pay attention to the seller's information to protect themselves. Customers tend to buy product and service from the seller who they trust, or brand that they are familiar with. Online trust is one of the most critical issues that affect the success or failure of online retailers. Security seems to be a big concern that prevents customers from shopping online, because they worried that the online store will cheat them or misuse their personal information, especially their credit card. For instance, the report indicated that 70 per cent of US web users are seriously worried about their personal information, transaction security, and misuse of private consumer data.

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

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

***Dissatisfaction with online shopping:*** customers' past online shopping experience often affect their future purchase decision. In online shopping, for example, they may get an unwanted product or low-quality products, the product does match what is described or expected. 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).

## **Implications**

### **Managerial Implications**

Online shopping is an important business model in e-commerce. If the online sellers want to persuade and retain online buyer, they need to know what the issues online buyers use to decide their online purchase. To better understand online customer shopping behaviour, the seller can improve or create the effective marketing program for their customer . 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 makes some customers hesitate to shop online, sellers should find ways to reduce those negative aspects to gain more customers by building trustable and securer website, attractive

and useful website, offering online service, and offering the additional option. Trustable and Securer 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. They also concern about transaction security and data safety when purchasing online. Getting an approved certificate from an organization such as eTrust is one of the ways to make a website more trustable. 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%. When the companies have this certificate, the address bar of their website will change to green colour and the Web address will begin with https://; so customers know that the website is secure and trustable.

Another way seller can do to reduce customers' risk concern when purchasing online is to carry a brand name product on the website or even have its brand name such as Amazon. Holding and selling a brand name product can improve the trust of the website. The brand name is one of the most important issues which affect customer's buying decision.

Online companies must ensure the customer that they will never use customers' information to other purposes by clarifying customer privacy policy. This will at least ease consumer concern about their identify security. Online stores may use an integrated mechanism to build trust in safeguarding consumer's personal information and avoidance of misuse of credit card mode of payments (Prasad and Aryasri, 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. Their websites should have enough information but should not be too overwhelming. Putting unstructured or useless information on the website can reduce internet usefulness and ease of use. Also, companies and sellers should double-check any single words on their website to reduce mistakes and customers' misunderstanding. Information quality and visual design is an important effect on repurchasing. The willingness to purchase online will be low if the online store lacks ease in searching and comparing shopping, and product updates. The online store should make their website to be easy for consumers to search for product and service. Making web designs and portals novel and sophisticated and web atmospherics friendly is a key to

attract visitors. Moreover, if online stores want to convert the visitor into a buyer, they should improve their website by offering the customer a comfortable, logical, interesting and hassle-free process and easy language by creating a fast website with functional design as smooth as possible. The online payment process is another issue that should be taken care of because it affects the willingness to pay. Online stores should make their payment process to be as easy and secure as possible. To sum, if online stores want to increase the customer, they should take care of their website design to be more user-friendly.

**Online Service:** Customer service is as important as the quality of website 72 per cent of online consumers revealed that customer service is a major factor in online shopping satisfaction. If the customer service is not available or reachable, customers will perceive that companies are trying to hide something or not intending to solve their problems. Online stores should provide the added-value of service to customers and have customer feedback channel on their website.

There should be interactivity customer service on the website so that customers can contact the seller anywhere and anytime. Software downloading, e-form inquiry, order status tracking, customer comment, and feedback are some of the examples that online sellers can use to fulfil their online service.

**Additional option:** Because customers are not able to touch or try products before they buy, the online store should offer them some additional options. For instance, a money-back guarantee is one of the means to reduce customers' concern. Sellers might consider offering money-back guarantee policy including shipping expenses refund to reduce purchasing risk. Also, to avoid shipping delay and product lost, an online store may cooperate with other companies with expertise in logistic to improve their distribution channels.

Offering customers more flexible prices and promotions or offering a one-stop shopping service are some more examples that online stores can use to make their business succeed. Online sellers may offer customers to use their bank account number, or stored-value card to complete their purchase. It is also suggested that online stores may offer the customer an e-wallet which transfers balance from customer's online bank account to the store payment system. This may help sellers to gain more sales from those who want to buy online products or services but do not have a credit card or do not want to use their credit card online.

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