Factors Affecting Consumers Buying Online

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Abstract:
Online shopping is becoming popular but is not as popular as physical shopping as selling in cyberspace is very different from selling in physical markets, and it requires a critical understanding of consumer behavior and how new technologies challenge the traditional assumptions underlying conventional theories and models. This paper provides an overview of what literature has underlined about the factors that affect consumers when they buy online and how marketers can use them to make online shopping and marketing a success.

Keywords: *Online shopping, risk, secure server, world wide web*

Selling in cyberspace is very different from selling in physical markets, and it requires a critical understanding of consumer behavior and how new technologies challenge the traditional assumptions underlying conventional theories and models. A critical understanding of this behavior in cyberspace, as in the physical world, cannot be achieved without a good appreciation of the factors affecting the purchase decision. If cyber marketers know how consumers make these decisions, they can adjust their marketing strategies to fit this new way of selling in order to convert their potential customers to real ones and retain them

Many behavioral theory explained the relationship between individuals' intentions to buy from the web and the actual behavior of purchasing online.

Rhee and Riggins, 1999 explored the relationship between Internet users' experience with online shopping and their perceptions of how well Web-based vendors support three types of consumer activities: pre-purchase interactions, purchase consummation, and post-purchase activities. They found that consumers with online purchasing experience believe that Web-based businesses support all these three activities. However, users who only seek information about products and services do not regard Web-based business as supporting their informational needs.

Lohse and Spiller, 1998 used a regression model to predict store traffic and sales revenues as a function of interface design features and store navigation features.

The findings indicated that including additional products in the store and adding a FAQ section attract more traffic. Providing a feedback section for the customers lead to lower traffic but resulted in higher sales. Finally, they found that improved product lists significantly affected sales. Dholakia and Rego, 1998 investigated the factors that make commercial Web pages popular. They found that a high daily hit-rate is strongly influenced by the number of updates made to the Web site in the preceding three-month period. In an online shopping context, the information feature of a shopping site was validated to be an important factor determining consumer's site loyalty and decision making in terms of whether or not they will shop at the store. This emphasizes the importance of product information quality and user interface design in the online shopping site development. Kim and Park, 2003

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Another important factor affecting consumers' behavior online was risk. Salkin, 1999 argued that the two most important obstacles to online shopping are the lack of security as well as network reliability. Similarly Cockburn and Wilson, 1999 found that consumers hesitate to use their credit number for online shopping because they are afraid that the number will be stolen. Liang and Huang, 1998 found that online shopping adoption depends on the type of the product, the perceived risk, and the consumer's experience. Forrester, 1999 also found that many consumers consider that lack of security is one of the main factors inhibiting them from engaging in online purchasing. Even though Internet security is now more a psychological than a financial or a technological problem (Webber, 1996) nervous online shopper must be reassured that the transactions are protected (Aldridge et al., 1997). For instance, adding the statement "Secure Server" can increase customers' confidence (Gehrke & Turban, 1999). A greater degree of trust is required in an online shopping environment than in a physical shop, a feeling of uncertainty that arise when the shop is unknown, the shop owners are unknown, the quality of the product is unknown, and the settlement performance is unknown (Tan & Thoen, 2001). Also, the consumer wants to minimize the amount of personal information disclosed while maximizing the amount of information obtained about the product. In the near term, this conflict of interest cannot be easily resolved, but we can address it by giving consumers the opportunity to be anonymous or pseudonymous when engaging in information exchanges and online transactions (Hoffman et al., 1999). Ahuja et al.,2003 stated that Security and privacy concerns were the single biggest barriers to online shopping. Contrary to popular notion, these factors were found to be more important than price.

Also, the results of a study showed that attitude toward online shopping also had the strongest effect on the intentions to shop online. Therefore, the authors examined factors affecting attitude formation and found that personal innovativeness has both direct and indirect effects, mediated by attitude, on intentions of online shopping. Therefore, innovative consumers are more likely to be favorable toward online shopping. Similar to personal innovativeness, perceived consequences were found to significantly affect attitude and intentions to shop online. Paying cheaper prices appears to be the most important perceived consequence of online shopping. Therefore, companies should convert the savings in the operational costs resulting from electronic commerce to the consumers (Limayem et al., 2000). The attitude construct has four antecedents in total: two from the technology perspective and two from the trust perspective. The technological antecedents are the perceived usefulness and perceived ease-of-use. The trust antecedents are trust in the online store and perceived risk; these constructs appear in the Jarvenpaa et al. study. The two prospects have been covered previously.

Web site designers, who are faced with the difficult question of how to design pages to make them not only popular but also effective in increasing sales, can benefit from such an understanding. This was supported by Ho and Wu, 1999 who found that homepage presentation is a major antecedent of customer satisfaction.

Also, Johnson et all mentioned that the prototypical Web consumer leads a wired lifestyle and is time starved. So it seems that Web consumers shop online or use online services to save time. This result suggests several implications for the design of online shopping environments. Bellman et al.,1999 stated that several cues such as signposts, paths and orderly arrangements can be used to convey the feeling that an urban landscape is easy to understand, several online cues such as navigation bars, tabs, forward/back navigation cues and content organization and display can be used to ease understanding of the environment, and it is the overall combination of these which marketers must control to produce the desired effects. Sites should make it more convenient to buy standard or repeat-purchase items, customization should provide the information needed to make a purchase decision; and the checkout process should be easy for the consumer (Yan and parade, 1999). Shwu-ing wu,

2003 suggested that the marketing strategist must emphasize the benefits of online shopping, effectiveness and modern, company name familiarity, purchase convenience, information abundance and selection freedom etc., then design an excellent home page to catch the attention of consumers' information needs

Another study identifies the following implications for online marketing. First, based on the results and findings of this study, retail companies should start taking measures to eliminate risk factor and build trust in this form of retail. The retail managers should sway consumers through different platforms like social networking sites, ads, promotions, online only discounts etc. to let people cross the threshold and start buying. In addition, they need to make website user- friendly and less intriguing. It should encourage online consumers to spend time exploring the site and comparing prices online, provide detail product information and member discounts The results also suggest that after-sales operations like, dispute settling and delivery, should be carried out promptly and quickly so that consumer would build faith in the system. During the process of purchasing, online agents can help customers and simplify the purchasing procedure to give a feeling of friendliness of salesman or demonstrate how to purchase with clear text, images or examples the impact of subjective norms on online shopping behavior proposes that online retailers should use word-of-mouth marketing to for getting their website known to consumers. This method could be one of the most effective method among other tools and methods of advertising. (Javadi et al., 2012)
So marketers should take in account all the factors tht affect consumers' behavior and the various suggestions given by authors to popularize online marketing.

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