The negative impact of the internet on consumer purchasing

Technology, Internet

" The Negative Impact of the Internet on Consumer Purchasing " In today's society, the internet has had a profound effect on the way people are living, working and consuming products. Convenience, time efficiency, and the availability of products at a possible lower cost are all enticing reasons to shop online; however, many people are still hesitant in shopping online in fear of their privacy and security as well as the inability to actually see the product they are purchasing and be able to instantly possess that product. Even with online purchasing becoming one of the biggest innovations to consumer purchasing, it is crucial for e-commerce managers to understand the negative factors that affect people using the Internet as a new channel of purchasing and why traditional ways of shopping will never become a way of the past, if not addressed. Shopping online poses numerous threats, which for most; override the positive factors that would entice you to shop online in the first place. The most commonly noted disadvantages for consumer to purchase online include: the inability to see items before being purchased, discomfort with the security of the transaction, and difficulty in returning items which results in bad customer service. In a previous study at Texas Tech, a sample of 605 students from generation Y between the ages of 18 and 25 were surveyed. 36% of the participants disliked the inability to see items before purchasing, 34% had discomfort with the security of the transaction, and 23% found it difficult in returning items (Browne, Durrett, and Wetherbe p. 237-245). " The responses concerning disadvantages show more variability than do the advantage" (Browne, Durrett, and Wetherbe p. 237-245. Consumers want to feel comfortable about the products they are buying. John Pescatore, an analyst at Stamford, Conneticut based Gartner

Inc. informs people that " for consumers, the biggest risks come from hackers' increasing use of keystroke logging and password-acquisition tools. Such remote access tools let cyberthieves capture sensitive information, such as credit card numbers, from consumers who are conducting business online"(Vijayan). With security threats on the rise, the impact of the internet on consumer shoppers begins to drastically dwindle. No one wants to risk getting their information stolen, so that someone could ruin their credit score. Small websites are not the only ones that security is an issue with. Joseph McDonnell is the CEO of online security firm IshopSecure and he shares that, " Virtually every medium-size to large e-commerce site has been affected by fraud of some sort," (Kandra). One would think that this stuff happens just as often at the actual brick and mortar store as well; although McDonnel explains that " anonymity is a key difference with the ability to hide behind a computer"(Kandra). Shopping online can lead to someone obtaining your name, address, email account, phone number, credit card information, passwords, social security number, and even your mother's maiden name (Kandra). If it means having to walk into a store to purchase a product as opposed to risking your identity and shopping online, many would choose the traditional way of shopping. While online merchants are liable for " fraudulent charges", most claims become hassles to the consumer and will effectively discourage the consumers decision to shop on the internet in the future. Following the safety precautions to " carefully review bank statement, look for secure logo (which is not always effective), and to consider the pros and cons of a website before purchasing", all defeat the trust factor a consumer would like to be able to find in shopping on the

world wide web(Kandra). . Traditional ways of shopping will never be a way of the past. The internet has significantly changed consumer purchasing by expanding the options available and allowing consumers to shop at retail stores beyond their geographic region; however, at what cost? Consumers are not as willing to risk their identities and security just because companies don't want to spend the extra money to secure their websites, nor do consumers want to deal with many online companies poor customer service and their careless efforts to place more emphasis on it. Companies spend considerable amounts of money to " acquire the customers that visit their websites, if they do not shift their efforts to alleviate technology issues and improve customer service in the coming months, they risk losing the customers that they spend so much time to acquire"(Reed). Works Cited: Browne, Glenn J., John R. Durrett, and James C. Wetherbe. " Consumer reactions toward clicks and bricks: investigating buying behaviour on-line and at stores." Behaviour & Information Technology 23. 4 (2004): 237-245. Academic Search Complete. EBSCO. Web. 20 Dec. 2010. Kandra, Anne. " The Myth of Secure E-Shopping." PC World 19. 7 (2001): 29. Academic Search Complete. EBSCO. Web. 23 Dec. 2010. Vijayan, Jaikumar. " Security Concerns Cloud Online Shopping." Computerworld 39. 49 (2005): 8. Academic Search Complete. EBSCO. Web. 23 Dec. 2010.