

# The theory part on online consumer marketing essay

[Business](#), [Marketing](#)



This chapter presents the theory part on online consumer and non-online shoppers. It will elaborate on the behavior and attitude of both online and non-online consumers. It will also lay emphasis upon the consumer perception toward online shopping as well as consumer motivation. In addition to that, it will discuss all the factors that are influencing consumers to online shopping for example, trust, payment, some benefits and drawbacks and amongst others.

## 2. 1 Introduction

Indeed, due to the wide spreading of the internet and the exponential increase in the number of internet users, online shopping has acquired an intense attention. Online shopping has indeed evolved mutually with technology. Originally, the internet was used mainly for academic purposes, research scientists and students but nowadays, with all the latest technology, it has been accessible for everyone and also it has become a very effective marketing tool for the retail businesses and for business as well. According to Shim, 2001, he states that ' purchasing via the internet is one of the most rapidly growing forms of shopping'. Some years back, people did not know about online shopping, they would do their shopping at the small shop, would buy their products in a supermarket. But today, with all the facilities presents, some people prefer to do their shopping online. However, without any doubt, online shopping has expanded immensely in the recent years as it has provided a profound influence on the shopping process for many consumers. It is so, as we see that it has provided facilities in terms payment, accessibility and usability as well. Though it has tremendously expanded, yet it has brought some benefits as well as drawback which will be elaborated later on. In the same light of thought, many researches have been conducting some surveys in terms of

the consumer behavior as well as consumer attitude in regards to online shopping. Several researchers have carried out several studies and they have also examined the factors that influence consumer' attitude and perception toward online shopping. According to Chiu et al., 2005 and Sclosser, 2003 they stated that, ' attitudes toward online shopping can be defined as a consumer's positive or negative feelings which is linked to accomplish the purchasing behavior on the internet'. That is, to know about the consumer's attitude, we need to know the characteristic of those who are involved in online shopping and what their attitude in online shopping. In the view of Hollensen, 2004, he elaborated that ' whether it is the traditional market or the online market, the marketers must understand the consumers and how he makes his decisions and purchasing choices'. Meaning that the marketer must understand the consumer, especially in terms of their need and behavior, how the consumers make their choices in purchasing a particular product. The marketers should make advertisement in a very proper way in which the consumer can easily interpret the information. Several articles have identified some characteristics of the online consumer. Such as, according to smith & Allred, 2006, they have identified some characteristics as followed; younger, wealthier, better educated computer literacy. Whereas, Garicia 1999 has identified the online shoppers as older, make more money, convenience seeker, positive attitude toward advertising and price conscious. However as we can see, some of the characteristics are similar while others are the opposites. 2. 2 benefits of online shopping Saving money and time. Wider choice of product. No waiting line. No pressure from a salesperson. Consumers can shop online at any time, wherever they are,

whether in office or at home. As a result, convenience is the main reason for shoppers to shop online. However, for those working late at night or they are not being able to do their shopping then they find it easier to shop online. But despite all these benefits of online shopping, yet many consumers are reluctant to shop online. In the research of Zuroni Md and Goh Hai Ling (2012, p. 224) have argued that ' consumer can enjoy online shopping for 24hours per day'. Moreover, he also argued that ' online shopping is more environmentally friendly' thus the consumers can fulfill his or her desires with just a click of the mouse without any travelling. In addition, the author has also elaborated that there are a lot of tangible advantages that is the website is open 365 days non stop.

### 2. 3 drawbacks of online shopping

Lack of personal contact. These products cannot be touched, tasted nor smelled. Some consumers fear about security and privacy. Consumers fear that their credit card or their transaction information might be visible to another person. Through that, online shopping has been a recent new feature that has been created but yet some people are not being able to trust these systems. Consumers do fear about their security and also are unable to trust these newly created websites. This is where, we see that people still go to the retail stores where they can buy their desires product, where they can touch it and put it themselves.

### 2. 4 consumer behavior

David L. Et al stated that ' consumer behavior is a process and physical activity that individuals occupied in when evaluating, acquiring, using or disposing of goods and services'. Thus, it means that consumer behavior studies how individual select, buy and use good in order to satisfy their desires and needs. A research by J. Peter Et al (cited Peter D. Bennett, 1989, p. 40) stated that , '

consumer behavior can be defined as the dynamic interaction of affect and cognition, behavior and environmental events by which human beings conduct the exchange of their lives'. Thus as a result of this statement, we see that there are three important definitions that are attached to consumer behavior. First we see that, it state that consumer behavior is dynamic, secondly we see that cognitive, behavior and environmental events are attached to it and then finally, it involves an exchange to that. By the first definition it means that individual, groups and society constantly changed, they evolved over time that why they are dynamic. In addition to that, cognitive, environmental and behavior are all an aspect of interaction, thus consumer behavior involves interaction. Therefore, to understand the consumer, it's imperative that the marketers understand what the consumers feel, think and what they do. The places and objects also have an influential aspect of the consumers. Thus, it is very important to know the consumers and its interaction so as to be able to target them. Further to that, according to the last definition, it indicates that consumer behavior involves exchange; it is so as the role of marketing is to create an exchange with consumers. A research by Anders Hasslinger et al. (2007 cited that Donal Rogan 2007) state that ' strategy is about increasing the probability and frequency of buyer behavior and its requirement is to know the consumer's needs and wants'. According to Kotlers and Armstrong (2007), he elaborated that the decisions of a consumer are influenced by a number of characteristics that are linked to the consumer needs and wants. 2. 4. 1 Consumer characteristics Consumer purchases are strongly affected by cultural, social, personal and psychological characteristics. However, it is

said that marketers cannot control all these factors but it is very necessary that they take them into account. Marketers should be able to identify these factors as it is through these factors that they will be able to decide what sort of marketing strategy they will use and to what kind of consumer they will target.

#### 2. 4. 1. 1 Cultural characteristics

Cultural factors are the main influences of consumer behavior. It is so as the marketer needs to understand the three aspects of the cultural characteristics which are as follows; culture, subculture, and social class. Culture; culture is mentioned as the most basic source of a person's wants and behavior. Kotler and Armstrong argue that human behavior is largely learned and thus as a result, growing in a society, we are exposed to basic values, perception, wants and values which influenced our behavior and decision making. Hence, these characteristics are very important for a marketer as they are the main indicators of a certain consumer behavior and their taste. Subculture; According to Kotler and Armstrong (2007, p. 138), defined subculture as ' a group of people with shared value systems based on common life experience and situations'. That is, each culture is divided into smaller subculture, or we can say that it is divided into groups of people where they shared some common life experience and situations. These subcultures are often an important market segment where marketers designed their products and programs personalized to their needs. Social class; in the views of Kotler and Armstrong, he argued that consumer behavior is also influenced by some social factors such as family, social role and status. Kotler and Armstrong (2007, p. 141) defined ' social classes are relatively permanent and ordered divisions in a society whose members share similar values, interests and

behaviors'. Thus, it is a combination of factors which gathers different type of members.

2. 4. 1. 2 Social characteristics

A consumer 's behavior is also influenced by social factors such as small groups, Family, social role and status. Groups; According to Kotler and Armstrong (2007, p. 142) explains that ' a person's behavior is influenced by many small groups'. Anders Hasslinger et al. (2007, p. 20) elaborated that ' when a group has a direct influence then it is called a membership group and reference groups are the group that a person wants to belong but is not'. Family; The family members have a great influence on the buying behavior. Very often we see that the members of family influence other toward the same thing that they have bought. Anders Hasslinger et al. (2007, p. 21), elaborated that ' the involvement and influence of different family members varies both to which degree but also in what ways'. Social role and status;

2. 4. 1. 3 Personal characteristics

2. 4. 1. 4 Psychological characteristics

2. 4. 2 Online consumer characteristics

2. 4. 2. 1 Cultural online characteristics

2. 4. 2. 2 Social online characteristics

2. 4. 2. 3 Personal online characteristics

2. 4. 2. 4 Psychological online characteristics

2. 5 identified factors affecting online consumer behavior

2. 5. 1 Price factor

2. 5. 2 Trust factors

2. 5. 3 Convenience factors

2. 5. 4 Enjoyment factors

2. 6 attitude

Several researchers have carried out studies in order to examine the factors that influence the consumer's attitude and perception toward making online purchases. According to Guo Jun and Noor Ismawati Jaafar (2011, p. 123) stated that ' consumer' attitude is a an influenced factor that affects the consumers' buying willingness' whereas Gurvinder Shergill and Zhaobin (2005, p. 80) stated that ' consumers' attitude towards online shopping is a prominent factor which affect the

actual buying behavior'. Thus , we see that both authors argue that consumer attitude is indeed a factor that affect the buying behavior of the consumer. A research by zuroni MD Jusoh and Goh Hai Ling (2012 cited Chiu El al., 2005 ; Schlosser, 2003), they stated that ' consumer' attitude can be defined as a consumer perspective or negative feeling which is related to accomplishing the purchasing behavior on the internet'. However, an example of an attitude is that a person might hate to use the computer to play games online or anything else, then, using the computer to play is the behavior and the person's feeling is the attitude. Many authors have come up with a different form of attitudes and shopping aim towards online shopping. According to Jarvanpaa and Todd (1997), in their model, they have developed four classification that is; The value of the product Shopping experience Quality of the service And the risk perceptions. However, in his next article (2000), he has also mentioned about the level of trust, which he affirmed to be associated with the attitude of the consumer. He firmly believes that the attitude and risk perception affect the consumer's intention to make a purchase or not. To conclude, it is indeed true that for a consumer to make purchases online, all the risk factors and the four classifications of Todd is taken into consideration before making the purchase.

2. 7 factors affecting consumer's online shopping attitude

Prior studies have elaborated in several factors that could have influenced the consumer's attitude towards online shopping which are as follows;

2. 7. 1 Usability
2. 7. 2 Security
2. 7. 3 Privacy
2. 7. 4 After sale service
2. 7. 5 Marketing
2. 7. 6 Reputation
2. 7. 8 Usefulness

Usefulness which refers as the perception of consumers as an outcome of the online shopping. However, it is about the



perception of using the internet as a medium for shopping which will enhance the outcome of shopping experience and its usefulness. A research by Jheengut Anoop (2006 cited Teo 1999) showed that perceived usefulness is a 'significant factor that have indeed affected the attitude towards online shopping'. 2. 7. 9 Ease of use Ease of use that is the ease of using the internet as a shopping medium. In an article (Anon 2004, p. 108) it was stated that ease of use is the 'consumer perception that shopping on the internet will involve a minimum of effort'. Thus, as a result, ease of use explained the easiness of using the internet as a medium to shop online. However, there are some dimension of ease of use that is in terms of experience, control, computer playfulness and computer anxiety. Experience It is believed that consumers who have some previous experience in online shopping will most likely to purchase online again as they already have the experience and this will directly affect the ease of use. Therefore, a positive attitude will be formed by this. Control Control relates to an 'individual's perception of the availability of knowledge, resources and opportunities to perform a specific behavior' (Benedict Dellaert 2004, p. 108). Computer Playfulness It is about the degree of cognitive spontaneity in computer interactions. Playful individual may tend to underestimate the difficulty of the means or processes of online shopping because they are quite simply to enjoy the process and do not perceive it as being effortful compared to those who are less playful (Venkatesh, 2000). Computer Anxiety Jheegut Anoop (2006, p. 11) defined computer anxiety as 'an individual's apprehension or even fear while using the computer'. There are many factors that can contribute to computer anxiety for example self

efficacy, computer literacy, feeling and beliefs. Therefore, this can lead to a negative aspect of ease of using the internet as a medium to shop online.

## 2.8 Specific consumer traits and behavior

Through the consumer traits, we got an understanding of why consumers shop online. It includes demographic factors and personality traits.

### 2.8.1 Demographic Factors

There are mostly four relevant factors for demographics namely- age, gender, education and income. In the views of Burke (2002), he stated that these four factors have a significant effect on the relationship between the basic determinant that is ease of use and usefulness. As a result, these four variables have an impact on the decision of whether to buy online or not.

#### Age

According to Wood (2002), he explained that mostly the younger adults, those who are under 25 years are more interested in technologies and internet so as to find new products and information as compared to the older consumers. Thus, older consumers are mostly satisfied with the conventional shopping methods rather than searching on the net and make a purchase. This is so as they are not familiar with computer and also they have free time, thus, they are less likely to be indulged in the computer shopping. Whereas, concerning the younger generation, there is a tendency that they are most likely to be in favor with the online shopping as there are new feature and they like to experience new things.

#### Gender

When it comes to gender, men generally express a greater interest by using a various type of technology in the shopping process whereas women normally, they prefer using catalogs to shop at home. In the research of Anoop Jheegut (2006, cited Thompson, 1996) stated that ' for working women, shopping along with other household tasks, become a particular challenge and thus can be associated with a

negative feelings'. Burke (2002) and Li et al, (2002) both concluded that 'female consumers prefer to shop online, shop more frequently than their male counterparts'. Thus, indeed women and men differ in their shopping orientation. Education plays a very important role among the three basic determinant factors and consumer's attitude toward online shopping. Indeed, if we think that to be able to make a purchase online, it's very necessary to be educated and have IT skills. In the views of Burke (2002), stated that 'higher educated consumers are more comfortable using the internet to shop online'. Thus, Li et al. (1999) concluded that 'education is a positively correlated with an individual's level of the internet literacy'. However, Anoop Jheengut (2006, p. 12) argued that 'adoption behavior is likely to be influenced by education as innovators tend to be more educators than non-adopters'. In the article of Benedict G. c Dellart (2004, p. 110) stated that 'consumers with a higher household income intend to shop more online compared to a lower income consumers'. The reason that he have mentioned in this statement is that the higher income consumer are positively correlated with the ownership of computers, internet access and a higher level of education. Thus, indeed, income plays an important role in making a purchase online. It is so, as definitely the one who have a higher income will be more likely to do online shopping as firstly they are more comfortable at using the internet to make a purchase and then, they can buy anything that is affordable. Moreover, due to time constraints they can't buy anything thus they have to just simply log on to a shopping website and then make a purchase. However, prior studies have sustained the positive relationship between online shopping and consumer income. 2. 8. 2

**Personality traits**The personality traits that have been considered in this study are Expertise, Self efficacy and Need for interaction. **Expertise**An expertise that is an individual's level of knowledge and skills. To be able to shop online it is very important to have a considerable amount of knowledge and skills. Ratchford et al. (2001) stated that ' those who have experience at shopping on the internet are likely to be more skilled'. In addition to that , if a consumer's lack this expertise, then they may find it more difficult to shop online and hence a negative attitude toward online shopping will be created in their mind. **Self Efficacy**Another personality characteristic which is closely linked to expertise is the self efficacy. Self efficacy refers to an individual's belief that make them believe that they have the potential ability and resources to perform a particular task. To be able to shop online, consumer's need to have a basic knowledge of the computer and also knowledge on the internet. Marakas et al. (1998) defines computer self efficacy as ' individual ' s judgment of efficacy across multiple computer application domains' and internet self efficacy as ' a person's judgment of his or her ability to apply the internet skills in a more encompassing way'. Thus, to conclude, consumer's with a low self efficacy are unsure and uncomfortable in using the net to shop as for a small and simple procedure they would require a little knowledge. **Need for interaction**The final characteristic that is required in the context of online shopping is the ' need for interaction'. It is defined as ' importance of human interaction to the consumer in service encounters' ( Dabholkar, 1996). Some people like to discuss with the sales person before making a purchase, they like to know the additional feature or their view before buying a particular product. But, in the case of online shopping, the

sales person is replaced by help button and search features. However, a consumer who likes to be assisted by a sales person may tend to avoid shopping online as they believe that online shopping do not cater for their needs. Therefore, this implicates that the consumer characteristics ' need for interaction' has indeed an effect on the relationship on the consumer's attitude. However, there are also some cases where, people don't like any kind of interference before buying any product thus they may find online shopping attractive in this case and therefore a positive attitude is formed toward the attitude of online shopping.

2. 9 payment mode  
2. 10 delivery period  
2. 11 websites quality  
2. 12 consumer perception

A research by Guo Jun and Noor Ismawati Jaafar (2011 cited Vellido et. al 2000) showed that he has summarized some factors which are related to consumer's perception of online shopping. The factors are risk of perception of users, convenience, control over, affordability of the products and goods, the ease of using shopping websites and also the customer service. ( To be continued)

2. 13 consumer motivation

The number of consumers buying online keeps on increasing day by day. ( To be continued)

2. 14 consumer satisfaction  
2. 15 summary