International Journal of Science and Business

To Buy Online or Not? An Analysis of Online Consumer Decision Making

Tracy Wangechi Maina & Jackson Ndolo

Abstract:

Online shopping has become a major trend in the 21st Century. In order for a business to achieve success in this line of sales, it is highly important to know the customer's requirements and provide the suitable offers in the appropriate time. The innovation of online shopping is encouraged by consumers as well as retailers. In view of that, understanding the behaviors of consumers in relation to decision making becomes a critical issue for retailers. There are various aspects that are unique with regards to online purchases and decision-making. They include price sensitivity and brand choice. In addition to that, it is worth noting that a number of motivation aspects, including situational elements, product features, and the experience of former e-shopping can affect the attitudes of customers to buy online. Notably, in the past decade, a drastic change in consumer purchasing behavior can be observed as shopping patterns have been altered. Despite the fact that individuals continue to buy from a physical store, others perceive online shopping as a very convenient method. This is because purchasing through the internet frees significant time that a customer can use to personally visit a shop. Moreover, online shopping has certain benefits including saving time and effort in making decisions and purchasing items. People can make search a variety of options at the comfort of their homes and compare prices easily in a bid to arrive at a preferred decision. This study is an empirical paper that reviews various available online literature to analyze the decision to purchase online or not.

Keywords: Online, Decision Making, Traditional, In-store, Shopping, Consumer.

About Author (s)

Tracy Wangechi Maina, **(Corresponding Author)** PhD Student, Mount Kenya University, Thika, Kenya.
Jackson Ndolo, Lecturer, School of Business & Economics, Mount Kenya University, Thika, Kenya.

1.0 Introduction

The process of making purchasing decisions can be quite challenging for a customer. Consumer decisions involving whether to purchase or not are a matter of great interest for researchers, especially, in the field of social sciences. This area has continued to witness an explosion over the past five decades (Peighambari, Sattari, Kordestani, & Ogha, 2016). Nonetheless, to a large extent, literature revolving around consumer behavior varies a lot as reforms in economics, technology, and society influence the manner in which customers behave. At the onset of online shopping, consumers used to conduct their purchases through this channel with the aim of buying the limited items (Kalaivani, Sumathi, & Arunkumar, 2017). However, contemporary lifestyles are not permitting people to spend sufficient time in buying products and services through traditional shopping. As a result of their eventful schedules, many individuals prefer to buy items such as electronics, clothing, and books through online shopping as opposed to visiting physical stores. Due to the rapid growth of online shopping and the increasing population of consumers who utilize the internet to acquire information prior to a purchase, considering e-shopping decision making is fundamental for marketers in the current age (Wei, 2016). This development has been propelled by a swift adoption of technology, improving living standards, rising population of youth, and an ever-increasing access to the internet through devices such as tablets and smartphones. In view of that, the internet forms a crucial part of day-to-day lives. People can communicate across the globe and even purchase products and services online. Therefore, this mode of trade has been broadly acknowledged as a means of buying things. It has become popular due to a number of reasons. For instance, online shopping offers consumers more choices and information to compare and contrast price and product, more convenience, and an easier channel to find commodities. In addition, e-commerce has shown to provide more contentment to contemporary customers seeking speed as well as convenience. This empirical study seeks to evaluate the decision to buy through the internet or not and answer the question to buy online or not?

2.0 Literature Review

A literature review can be described as an analysis of scholarly works, books, and other relevant sources to a specific research area. To begin with, it is pivotal to assess the distinctions between traditional and online shopping. Wei (2016) indicates that the variations between the procedures of conventional and online shopping could be the key forces that influence a retailer's sales volume. The researcher also noted various works that provide insightful information about consumer buying behavior and decision making with reference to online shopping and traditional purchasing. For instance, Danaher and Davis (2003) indicated that internet shopping enabled the clients to acquire details of the products with much ease. In addition, the customers can also buy a product they previously purchased using a special list of online shopping that comprises a saving engine. Conversely, buyers engage in many perceived risks when purchasing through the internet as opposed to those who choose the traditional mode. The process of decision-making, which is characterized by price sensitivity and brand choice are quite distinct during online and traditional purchase (Wei, 2016). By and large, the differences depend on the process of looking for information by the consumer as well as the purchase setting. Furthermore, e-commerce buyers are more conservative as compared with those who prefer the traditional methods, such as shopping in malls. It is significant to highlight that renowned brands acquire more popularity through the internet, for instance, on websites (Danaher & Davis, 2003). This can imply that online shoppers are apprehensive of experimenting with new items without touching and feeling

them physically. Moreover, distinguished brands ascertain the quality of the goods and e-customers feel secure to buy commodities of recognizable brands in known sizes. A comprehensive description and lower price of a reputable brand attracts more online buyers. As a result, these shoppers tend to be more sensitive and conservative with products. Notably, the element of price is among the fundamental factors in the consumer decision-making process. Andersone and Gaile-Sarkane (2009) observed that online shopping, in contrast to traditional purchases, was geared towards saving money. According to Mintel (2015), e-retailers obtain high income levels; however, the profits are reduced due to untenable pricing. The explanation for that is given by the researcher that 28% of online shoppers utilize a tactic of selecting the lowest price retailer. Over and above that, e-customers are quite sensitive when it comes to prices.

A crucial and perceived drawback of online shopping, as compared to traditional methods, lies in the time of delivery. In the course of the decision-making procedure of e-shopping, buyers should consider the time the delivery will take place. Nevertheless, Khiroya (2010) affirmed that the delivery duration would never eliminate the benefits of purchasing through the internet. In addition, researchers Ahn, Ryu, and Han (2004) indicated that online consumers were delighted by the delivery of products and services. This was impractical to anticipate from traditional modes of shopping. Another important factor that worth noting is that as compared to traditional shopping, e-consumers are not able to examine, observe, or touch the goods prior to online purchases. In spite of that, Hoff and Penz (2008) asserted that the diverse contexts between the two modes of buying lacked significant influence on the buying decisions of consumers. The following are factors that affect the choice between online shopping and in-store or traditional shopping. Schmid and Axhausen (2017) assess the choice shopping through the internet and in stores as illustrated in Figure 1. The researchers highlight a variety of literature that is relevant and related to their study. The analysis underpins the evaluation by Salomon and Koppelman (1988) that discusses the chief factors that affect the preference for either traditional or online shopping. In addition, they describe shopping as a procedure of gathering information on the attributes of products leading up the ultimate purchase choice. Alternative-precise characteristics such as delivery, travel, and service, as well as personal features, including, socio-economic context, are hypothesized to impact the perceptions of shopping options among individuals, the use of time, pleasure, and other aspects. On the other hand, attitudes linked with shopping alternatives, for instance, feelings, perceptions, and risks are majorly established by personal features. The definitive factors that influence the buying behavior are the attitudes and perceptions of options (Schmid & Axhausen, 2017). In view of that, Dijst et al. (2008) outline a framework for in-store and online purchase of media items. The framework exhibits that attitudes serve a crucial function in justifying the preferences of shopping channels. In another study, Farag et al. (2005) explain that positive perceptions towards e-shopping increase the regularity of online shopping. Bellman et al. (1999), state that the prospective significance of a reduced time budget is associated to the tendency to buy online.
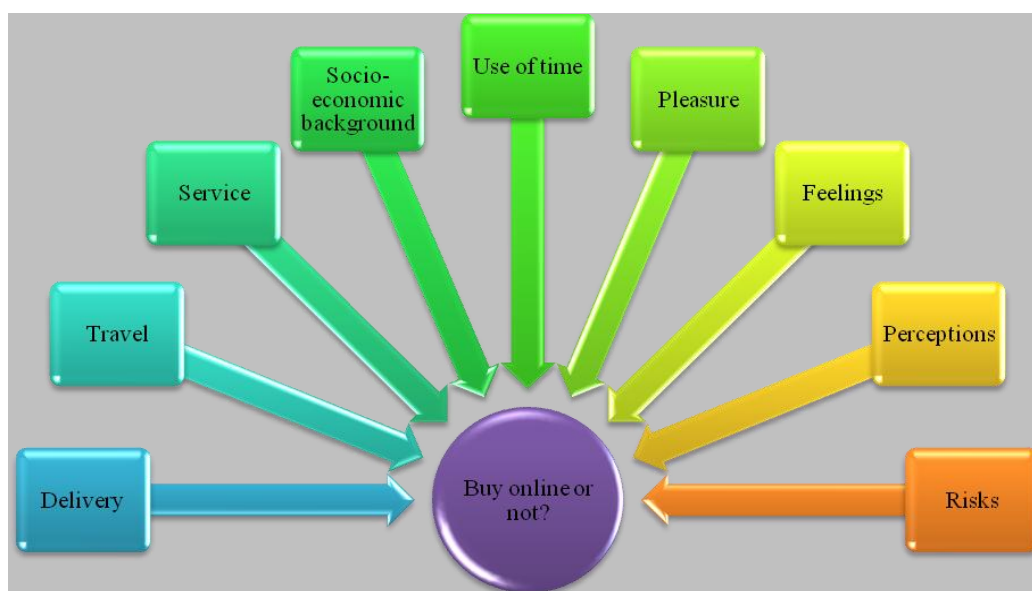
Figure 1. *Factors influencing the decision between buying online and shopping in stores* (Schmid & Axhausen, 2017)

A number of studies have demonstrated considerable product-specific heterogeneity in factors impacting the choice between online and traditional shopping. Notably, Chiang and Dholakia (2003) and Chocarro et al. (2013) contend that the intent to buy through the internet is significantly higher for search, for example, books, electronic devices, or other media goods as compared to experience commodities like perfume, fresh food produce, or cars. This is attributed to the fact that e-shopping decreases search costs significantly whereas the leading product characteristics of experience commodities cannot be acquired online (Schmid & Axhausen, 2017). There are a couple of factors that influence the decision and motivation of consumers. The behavior of customers in relation to online shopping has been impacted. In addition to that, the motivation elements are also affected by external aspects. To begin with, situational factors can regulate the link between customers and their outlooks to buy online. A majority of clients find that the convenience and approach connected with e-shopping influences their choice to purchase through the internet. This is due to the fact that they can buy with a feeling of comfort in their familiar context. Furthermore, it also saves their effort and time. In that view, a study by Equation Research discovered that 87% of the respondents who owned tablets bought online through their devices and spent $325, on average, for their vacation gifts. To add to that, individuals preferred to make purchases using a tablet while on a couch by 50%. This was followed by 20% of people laying on the bed, 6% in a mall, 5% at a kitchen counter, and 3% on public transport (Schmid & Axhausen, 2017).

3.0 Methodology
The researcher conducted an empirical review. To a large extent, the study involved a critical analysis of peer-reviewed journal articles available online. The articles were chosen with reference to the topic. The publications were selected using key terms in the title and checked for relevance before being critically reviewed. They are fourteen and from diverse sources.

4.0 Findings and Discussions

The key findings support the decision to buy online. According to Wei (2016), the differences between traditional and online shopping are essential as they promote the need to buy online. For instance, e-shopping provides more product information as compared to in-store buying (Danaher & Davis, 2003). Ahn, Ryu, and Han (2004) noted that online customers were pleased with the delivery of goods and services. Schmid and Axhausen (2017) conducted an in-depth analysis of making online or in-store purchases. The findings, to a large extent, indicate the increasing trend of customers purchasing online, especially with innovations such as tablets. In view of such literature, the researcher supports the decision to buy online in contrast to traditional modes of shopping.

5. Conclusion and Recommendations

To Buy Online or Not? With reference to this empirical review, it is evident that buying online is quite an effective method due to its various benefits. Nonetheless, experience items like perfume and fresh food can be most preferably purchased through traditional means such as walking into a store. The analysis provided in this study helps consumers make informed choices of whether or not they should buy online. Factors such as convenience, low prices, product information, and time enhance the decision to engage in e-shopping. Online shopping is a trend that is capturing many clients by the day. Therefore, it is important to assess this pattern in order for both buyers and sellers to be up-to-date with the current mode of trade. This understanding will enable traders to provide for the needs of customers, such as selling via the internet. Customers can also be enlightened on factors that can influence the method they use to purchase items, for instance, through online or traditional means. Further research that extensively discusses the pros and cons of online versus in-store shopping can be conducted in order to promote an in-depth understanding.

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Cite this article:

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