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From Retailing to E-tailing: Understanding Online Shopping Motivation and Decision Making

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Abstract: Internet shopping has been widely accepted as a way of purchasing products and services. It provides consumer more information to compare product and price, more choices and convenience, easier to find anything online (Butler and Peppard, 1998). Meanwhile, online shopping has been shown to provide more satisfaction to modern consumers seeking convenience and speed (Yu and Wu, 2007). 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 have a need to examine and feel the products and to meet friends and get some more comments about the products before purchasing. Such factors may have negative influence on consumer decision to shop online.

Recent research has shown an interest in investigating consumer motivations that affect the online shopping behavior. It is yet to understand what factors influence online shopping decision process. The objective of this study is to provide an overview of online shopping decision process by comparing the offline and online decision making process and identifying the factors that motivate online customers to decide or not to decide to buy online. This study is composed of three parts.

First it provides a theoretical and conceptual background that illustrates the differences between offline and online consumer behavior process. Com-

pared with off-line consumer buying decisions, online shopping typical involves the same pre-purchase stage, purchasing, and post-purchase stages. However, consumer behavior and decision making process are affected by external factors of risks and consumer trusts (Comegys et al., 2009). For example, the 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 (Comegys et al., 2009; Wang et al., 2005). 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.

Second, it identifies some basic factors that drive consumers to decide to buy or not to buy through online channel. 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 sometime want to avoid pressure when having a face-to-face interaction with salespeople; they can avoid in store traffic jam, etc. These factors can be summarized into

four categories—convenience, information, available products and services, and cost and time efficiency. On the other hand, there are factors that impede consumers from online shopping. These factors include unsecured payment, slow shipping, unwanted product, spam or virus, bothersome emails and technology problem. Business should be aware of such major problems which lead to dissatisfaction in online shopping.

Finally, it draws managerial implications of how online sellers can use this knowledge to improve their online stores to be more attractive and get more online shoppers. 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 make some customers hesitate to shop online, sellers should find ways to reduce those negative aspects in order to gain more customers by building trustable and securer website, attractive and useful website, offering online service, and offering additional option.

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