

CONSUMER DECISION PROCESS IN ON LINE BUYING

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Introduction

Increase in the adoption and penetration of the Internet has turned the online marketplace into an important distribution and communication channel where consumers and businesses interact with each other. The rapid increase in consumers' involvement in online purchase has transformed the Internet into a powerful force that influences consumer behaviour. Non-store retailing, which is considered to be the predecessor for today's online retailing started to steal business from traditional retailers in the United States of America during 1970s, Rosenberg, L.J, and Hirschman, E.C in their visionary article written nearly 34 years ago predicted that brick and mortar retail stores in America will be vanished in the near future. This prediction came at a time when internet was not invented. With the arrival of internet few of decades later, it is unavoidable that online shopping would become an alternative way for purchasing goods. Today companies use the Internet to convey, communicate and disseminate information, to sell products, to take feedback and also to conduct satisfaction surveys with customers.

Consumer Decision Making Process

Resources on the Internet have changed the consumer decision process. Information search and alternatives evaluation performed by consumers tend to be two phased. Product and price information are emphases of consumers in the two phases respectively, as well as product evaluation and channel selection are undertaken within each phase .

In the modified model, the focus of the first phase is the search and evaluation performed by consumers on product-related information, such as brand, specification, function, and appraisal. Consumers rigorously search for and evaluate products, while only generally referring to price to ensure the products are within their budgets. However, little emphasis is placed on information about channel and promotion in the first phase.

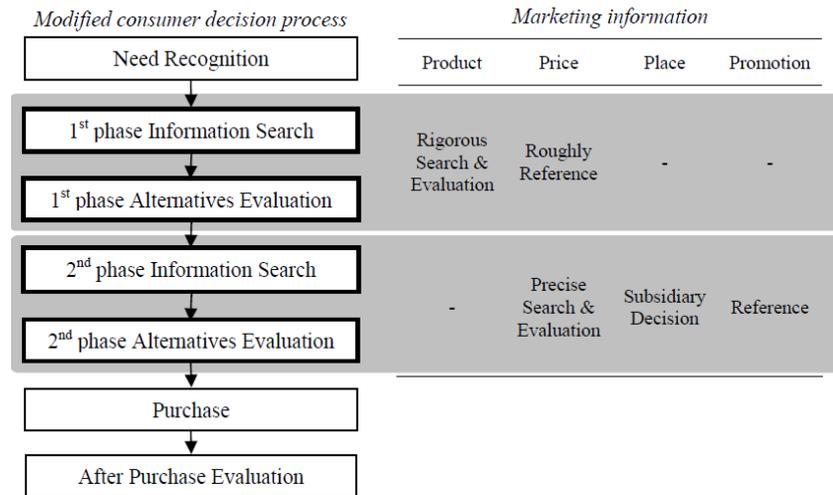


Figure 1: Modified Consumer Decision Process - On line buying

Behaviour within a Web Site

Understanding detailed behaviour as consumers navigate within a Web site has enormous potentials for e-commerce firms in creating value. In online retail, consumers not only interact with a web-based application but also through it with the firm's business processes, and product and service delivery capabilities

Research investigating the within-site navigation behaviours has shown that the general customer online experience has significant impact on customer satisfaction, which in turn leads to actual purchases. Mandel and Johnson show that preferences, and hence purchasing decisions, are constructed online while interacting with the online storefront.

In a similar vein, Moe shows that online shoppers with different shopping strategies show significant heterogeneity in their navigational behaviour, which ultimately leads to differences in actual purchasing propensities. Offering a user-friendly navigation interface is important in order to facilitate research by the internet user

Given that online consumer behaviour is shaped by the customer's shopping goals and the structure of the online environment (i.e., design of the e-commerce web site), it is important to understand how the design of the e-commerce web site supports consumers' purchasing processes.

Post Adoption and Re Purchase Intention in Online Shopping

Chuanlan Liu and Sandra Forsythe study states that customers' repurchasing or loyalty is critical to the success and profitability of online stores. Trust, enjoyment,

perceived usefulness and perceived ease of use are significant determinants of repurchase intention

Conclusion

Online retailing is booming and hence the need to understand the behaviour of customer is getting important. As competition in the online segment becoming tough, understanding the uniqueness of online consumer decision making process will provide competitive advantage for online marketers.

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