

## CLASSIFICATION OF THE FACTORS INFLUENCING ONLINE BUYING: A LITERATURE REVIEW

Dr. K. M. Salah Uddin<sup>1</sup> and Marzia Tamanna<sup>2</sup>

<sup>1</sup>Associate Professor, Department of Management Information Systems, Faculty of Business Studies, University of Dhaka, Dhaka-1000, Bangladesh

<sup>2</sup>Lecturer, Fareast International University, Dhaka, Bangladesh

---

**ABSTRACT:** *Internet helps the marketers to build relationships with customers and it creates value for customers. For the individuals now the traditional way of shopping has become inadequate due to the technological innovations. In this paper we mainly focus on the factors affecting the online buying behaviour and examine those factors to see how they can affect the shopping behaviour. To identify the potential factors that influenced customers buying decision was also examined. In this paper, we classified some important factors of consumer online buying perception; they are- personal, cultural, economic, social, technological and psychological. There is a possibility of losing money and financial details that has a negative impact on attitude toward online shopping.*

**KEYWORDS:** Online Buying, E-Commerce, Customer, Online Shopping, Online Behaviour

---

### INTRODUCTION

Perception about the product depend upon the consumer buying and usage of any product. In order to get customer positive impression and attention the firms nowadays put their best efforts in marketing on consumer perception, customers mind is also identified by the shape, taste and colour of the products. Through the effective market of the product perceptions develops almost every sector of the system such as governance, technology, business, health, commerce etc. are mostly connected by the development of communication technology. Increasing sophistication of communication technology and the advent of the internet made every sphere of life comfortable and easy. Without an intermediary service buying services and goods directly from a seller in real time over internet is a process called Virtual shopping. It is a form of Electronic Commerce. From the traditional mood of marketing improved services and detailed product information attracts more and more consumer to change their buying behaviour and rely on the internet shopping. Most of the companies now a days change their marketing strategy as they learn consumer behaviour transformation is unescapable trend. As form of doing e-business learning about the consumer behaviour and understand internet shopping could help companies (Changchit, 2006).

According to (Del Aguila-Obra, 2006) the internet knowledge, performing during the last part of the 20th century and having been used repeatedly for few years in day-to-day lives, has effected all parts of our lives in a short time. The differences in technological area all over the world having reformed the impression of facts and communication. The practice of internet for commercial reasons gave upswing to the presence of the e-commerce occurrence. With the application of these information and communication skills by commercial organisations in order to support business actions, electronic business notion was established.

According to (Grabner-Krauter, 2002) as a purchasing and retailing activity over the online

media. To review over the E-commerce, it can be distinct as exchange of goods and services, selling and buying through an electrical medium (The Internet) by consumers, other parties and businesses without any physical conversation and contact.

‘The upswing of these new information and communication technologies and of Internet users, has announced a new selling reality’ (James, 2012). This advanced presence deviations the relations between the players. Additionally businesses have grasped and gotten the significance of the Internet and it has become that e-commerce in the professional framework, for most companies, can be seen as a complement. The significance of the economic power and superiority has come to forefront and organizations’ accepting of opposition has altered affectedly. To increase competitive advantage and to communicate with customers in today’s world electronic commerce channels are used by businesses (Saad Akbar, 2015).

There is a popular belief that E-Commerce is not just a web based commerce, in fact before the web back in the 70s E-commerce was well in business to business transactions and alive through VANs (value-add networks) and via EDI (Electronic Data Interchange). E-commerce can be broken into four main categories: B2B, B2C, C2B and C2C (Sarwar, 2016).

Internet helps the marketers to build relationships with customers and it give them a entire innovative way to form significance for clients. For the individuals now the traditional way of shopping has become inadequate due to the technological innovations. Customers now prefer the easiest way to reach the stores and brands, their notions of price, services, convenience fundamentally changed because of Internet (Point, 2016).

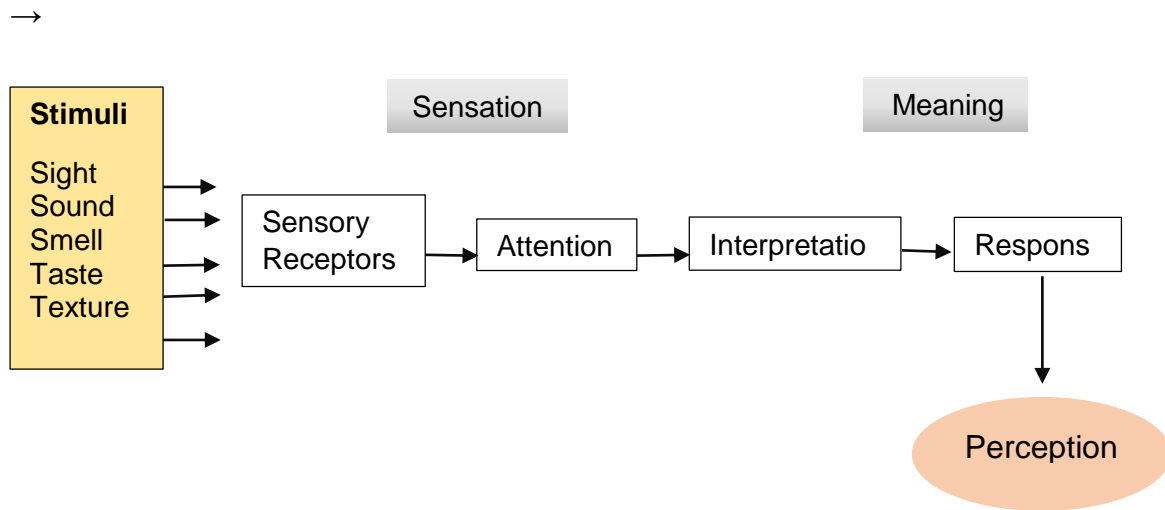
In the recent years online selling area has constant with its progression. The figure reveals that online-selling is increasing quicker than retail sales and it is attract superior share of the overall retail deals pie (Hsu, 2012).

(Chen, 2005) Stated that to advertising and marketing consumer perception applies the concept of sensory perception. Consumer perception relates to the purchase they make, to how individuals form opinions about companies and the merchandise they offer.

To decide how their consumers perceive them merchants apply their consumer perception theory. Also to attract new customers and to retain current one they also use consumer perception theory to advertising strategies and develop marketing.

→Self-perception by consumers narrates to motivations and values it is an important aspect of consumer perception theory that drive buying behaviour. To clarify how behind their own behaviour individuals develop an understanding of the motivations is the attempts of self-perception theory (Hong-Youl Ha, 2011).

→The investigators determined that the price perception intensely influenced whether consumer would make future purchase and whether consumers were satisfied with their purchases. Two factors that shaped price perception were price comparisons and the perceived quality of the service and merchandise (Kim, 2012).



**Figure 1: Consumer's perception process. (Source: (Miyazaki, 2001))**

The whole process of perception is made up by three different stages. First stage is called the exposure stage, next is attention stage and lastly is the interpretation stage. The brain is the one who stimuli in the attention stage and interprets the stimuli according to the previous experience and what the individual desires in the interpretation stage (Patnaik, 2015).

The first stage, Exposure was define as stimuli comes within the reach of one or more of our five senses which would be sense of see, hear, smell, touch and taste. Consumer will look for information that will help achieve certain goals either it for immediate or long. Range usage. Next, Attention occurs when stimuli actives as allocation of mental processing capability. (Changchit, 2006). When an individual's attention is attracted, the mind will be focuses on stimuli ready and willing to process further information to know more about the products. Getting attention is one of the major concerns for marketers because customer might feel curious and want to know more about the products (Gulevièiûtë, 2015). The final step in the perception process, interpretation happens towards one's sensation. Besides that, interpretation relate on how an individual can understand and make sense of incoming information .For instance, it can either influenced by characteristics of the stimulus, the individual or the situation (Point, 2016).

### **Rational of the study**

This paper is designed to build the bridge between real life application and theoretical knowledge. For the business context and online buying decision making there are many effective factors that are involved. Many factors are involving in the consumer's perception, the reason of this study built on this fact. There are numerous factors like- social, economic, cultural, psychological, personal and technological. This paper object is to show that how all factors are interrelated with each other and make discussion of online buying on these factors.

## **Objective of the study**

The principal goal of this paper is to identify the most important factors which affect the consumer perception on buying online.

## **RESEARCH METHODOLOGY**

Here in this report, it is the primary goal to find the factors which affect the consumer perception on buying online. It can be said that this research is the integration of previous research works on this subject. This review paper is based on several other secondary resources- mainly from other published reports in reputed journals and other books. Biggest effort has been made to find the most relevant and up-to-date information on this particular topic.

### **Limitations**

Every research has limitations. Limitations of this study are:

- There are many factors affecting on online shopping behaviour. But in this study because of time constraints I didn't examined all factors influencing on online shopping behaviour.
- Based on the discussed variables of the online shopping behaviour of consumers this study for evaluating the data may not be able to fully access.
- One of the main obstacles is an insufficiency of information, which was required for the study.
- Limited accessibility to journals.

## **Factors Affecting the Consumer Online Buying**

### **Cultural Factors**

Cultural factors are related to the divers components linked to cultural environment and culture from which the consumers related.

### **Societal and cultural environment:**

According to (Gulevièiûtë, 2015) to understand the behaviour and needs of an individual culture is crucial. In order to adapt its marketing and product strategy it is significant to take into account and to recognise the cultural factors innate to each situation and each market. These things will play a major role in the consumer's behaviour, perception, habits and expectations (Ling, 2010).

### **Sub-Cultures**

A society is composed of several sub-cultures in which people can identify. Based on similar lifestyle or a common experience in general are the groups of people in subcultures (Keisidou, 2011). Subcultures are the religions, age groups, nationalities, gender, ethnic groups of the individual etc.

- Religion (Muslim, Christianity, Hindu, Jainism, Sikhism etc.)
- Status (Upper Class, Middle class and Lower Class)
- Gender (Male/Female)

### **Social Classes**

According to the form of social hierarchy social classes are stated as groups more or less ranked against each other and similar. Often it is assumed that there are three common groups among social classes: Upper class, Middle class and lower class (Guo, 2011, June).

According to (Grabner-Kraeuter, 2002) people from different social classes incline to have different requirements and consumption forms. According to some scholar's behaviour and purchasing conducts would also be a way of identification a belonging to its social groups.

### **Cultural trends**

“Bandwagon effect” or cultural trends are defined as tendencies broadly followed by individuals and which are augmented by their mere fame and by conformity or acquiescence with social pressure. Trends become the source of innovation and it helps releasing new products, it also affect the consumer shopping habits and behaviour (Chau, 2002) .

### **Social Factors**

#### **Membership groups and reference groups:**

To better understand their advertising message brands target the specific features like lifestyle, mind-set, values etc. of each groups. Depend on the groups and individuals the influence level may vary (Rohm, 2004).

More commonly, reference groups about their lifestyle, consumer habits, behaviours or desires are defined as those that provide comparison more or less direct to the individuals some points. Whether it is non-membership groups or membership groups they impact the consumer behaviour as well as the image that the individuals has (Parsons, 2002).

### **Family**

(Ming-Shen, 2007) stated that for an individuals the family is possibly the most persuading factor. Family helps form an opinions and develop attitudes on various subjects like individual's desires, politics, social relations and society. Family forms an atmosphere of socialization in which a person will shape his/ her personality, evolve and acquire values. On the consumer purchasing behaviour family habits and perceptions generally have a solid influence (Limayem, 2000).

### **Social status and roles**

In the social groups or society, social status reflects the importance of this role and reflects the ranks. Consumers purchasing decisions and his conducts intensely influences the social status and role. According to individual's position in the family, his position at work and his gender is a set of activities and attitudes consider as a social role (Zhou T. , 2011).

## **Personal Factor**

Purchasing behaviour and decisions are apparently also influenced by the characteristics of each consumer.

### ***Life style and age***

Throughout peoples life his hobbies, values, lifestyle, environment and activities evolve. A individual never buy same products in his 20s or 70s. Factors influencing the consumer purchasing behaviour or decision process may also change (Hernández, 2011).

### ***Purchasing power and revenue***

Based on their capital and income the purchasing power of an individual will have decisive influence on consumer purchasing decisions and behaviour (Doolin, 2007).

### ***Self-concept and Personality***

According to (Phau, 2004) self-concept is the image he/ she conveys to his/her entourage or it is the image they has it or would like to have. On the other hand personality is a set of specific individualities and traits.

### ***Occupation***

Individuals buying behaviour are influenced by profession or occupation. According to the nature of the occupation the purchasing considerations and life styles varies widely (Van Wilsem, 2011).

### ***Income***

There are different source of purchasing power, income is the most important one. In sapping the consumption pattern income level of people is another factor that can employ influences (Ahuja, 2003).

## **Psychological Factors**

Among the other consumer behaviour influencing factors, psychological factors can be alienated into four categories: perception, motivation, beliefs and attitudes and learning.

### ***Motivation***

To develop a buying behaviour motivation is what drives consumers. Brand should attempt to reinforce a need, to create or make conscious in the consumers brain so that they will develops a buying motivation. It will encourage consumers to purchase and to increase sales (Zhou L. D., 2007).

### ***Perception***

In order to do something that make sense perception is the procedure through which a consumer organizes, selects and interprets the information they receive. The perception of a condition at a given situation may decide how and if the individual will act (Hassanein, 2007).

### ***Learning***

From the experience learning implies a change in the behaviour. As individuals obtains experience and information the learning changes his/ her actions (Park, 2003).

### ***Attitudes and Beliefs***

For most of the people their attitude and beliefs are parts of whom they are and their personality. Attitudes and beliefs are usually well-anchored in the persons mind that it is hard to modify (Wang, 2010).

### **Economic factors**

Economic factors mostly influenced the consumer behaviour. The factors that affect the consumer behaviour are-

- a) Income expectations
- b) Individual income
- c) Family income
- d) Consumer credit
- e) Liquid assets of the consumers
- f) Savings and other economic factors

### **Technological factors**

#### ***Website design factor***

It is quick and easy to complete a transaction at this website. The site must have competitive prices, good selection, understands my needs, provides in-depth information, consumer feel comfortable in surfing this site and it doesn't waste their time. The level of personalization at the site is about right, not too much or too little and it should have website design factor overall mean of Website Design Factor (Hong-Youl Ha, 2011)

#### ***Website reliability***

The product that came was represented accurately by the website. Consumer should get what they ordered from the website. The order they place should delivered on time by the site or the company. Website reliability depends on the consumers overall need fulfilment (Lee, 2004).

#### ***Website customer service factor***

The company or the sites is willing and ready to respond to customer needs. Inquiries are answered promptly. When consumer has a problem, the website shows a sincere interest in solving it (Cho, 2006).

#### ***Website privacy/security factors***

Consumer should feel safe in their transactions with the website. The website has adequate security features. Consumer feels that their privacy is protected at the site (Lee, 2004).



## Identification of the factors dominating online behaviour

Different factors like cultural factors, social factors, personal factors, psychological factors, economic factors, technological factors affecting online buying behaviour of the consumer. Other things that also affect the consumer's online buying perception are:

- Fear of losing money and financial details has negative effect on attitude toward online shopping.
- The attitude of consumers towards online shopping significantly affected their online shopping behaviour. Thus when a consumer has a significant attitude toward online shopping, this will have effect on his/her shopping behaviour (Li, 2002).
- People like to go to market places together and they value opinions of others. People feel the lack of opinion in the online shopping.
- Consumer's personal beliefs and attitudes have important effect on other consumers as well as themselves, so it is important to identify the positive as well as negative effect.
- Changes in the amount of family and personal income lead to a change in the expenditure they spend.
- In online shopping the stress of non-delivery of product have negative influence on purchasing attitude (Masoud, 2013). The higher the chance of non-delivery of a product leads to the lower attitude towards purchasing online.
- E-commerce experience, product perception and customer service have significant relationship with attitude towards e-commerce purchases through online shopping (Zhou T. , 2011).
- From the consumer's perspective, they will know that there are many advantages of online shopping such as it will be more convenience shopping on the internet and there is no crowd of people when shopping through online (Hassanein, 2007).

## CONCLUSION

In this study we examined some factors affecting on online shopping behaviour of consumers. Different factors indicated that financial risk and non-delivery risk has negative effect on attitude toward online shopping behaviour. For delivering the products E-retailers should make their customer assure and site safe. Between online stores and products consumers can do evaluation shopping. Consumer can purchase anytime, anywhere and anything with safe and easy payment options with the use of internet. Online shopping perceptions getting better day by day. To identify the potential factors the customers buying decision making method was also examine. In this paper we mainly focus on the factors affecting the online buying behaviour and examine those factors to see how they can affect the shopping behaviour. The paper focused on how the consumer online behaviour influenced by online purchasing (including the internet security, E-commerce website, trust, privacy, online shopping and trustworthiness). This paper can make the consumers aware that E-commerce is becoming an important trend in this modern information technology society. In this paper we discussed some important factors of consumer online buying perception, they are- personal, cultural, economic, social, technological and psychological. Among them most important factors are personal, social and technological. The technological factor is most important factor that helps the consumers to find their desire products or services with the help of information search. In order to increase the efficient of information search online retailers should improve and enhance information supporting. Online retailer should carefully prevented or influenced consumer's online buying behaviour to improve their performance and support the consumers buying decision making process (Khan, 2016).



**REFERENCES**

- Ahuja, M., Gupta, B., and Raman, P. (2003). An empirical investigation of online consumer purchasing behavior. *Communications of the ACM*, 46(12), 145-151.
- Changchit, C., (2006), *CONSUMER PERCEPTIONS OF ONLINE SHOPPING*. [Online] Available at: <<http://iacis.org/iis/2006/Changchit.pdf>> [Accessed on: 15 Oct 2016].
- Chau, P. Y., Cole, M., Massey, A. P., Montoya-Weiss, M., and O'Keefe, R. M. (2002). Cultural differences in the online behavior of consumers. *Communications of the ACM*, 45(10), 138-143.
- Chen, G. S. S. and Z., (2005). *WEB-BASED SHOPPING: CONSUMERS' ATTITUDES TOWARDS ONLINE*. [Online] Available at: <<http://web.csulb.edu/journals/jecr/issues/20052/paper1.pdf>> [Accessed On: 03 Sept 2016].
- Cho, C. H., Kang, J., and Cheon, H. J. (2006). Online shopping hesitation. *Cyber Psychology & Behavior*, 9(3), 261-274.
- Del Aguila-Obra, A. R., and Padilla-Melendez, A. (2006). Organizational factors affecting Internet technology adoption. *Internet research*, 16(1), 94-110.
- Doolin, B., Dil (Doolin, 2007)lons, S., Thompson, F., and Corner, J. L. (2007). Perceived risk, the Internet shopping experience and online purchasing behavior: A New Zealand perspective. *Electronic commerce: Concepts, methodologies, tools, and applications*, 324-345.
- Grabner-Kraeuter, S. (2002). The role of consumers' trust in online-shopping. *Journal of Business Ethics*, 39(1-2), 43-50.
- Gulevič, P. B. and G., (2015). *E-COMMERCE FACTORS INFLUENCING CONSUMERS'*. [Online] Available at:< file:///C:/Users/kazi/Downloads/4295-9567-1-PB.pdf> [Accessed on: 03 Sept 2016].
- Guo, S., Wang, M., and Leskovec, J. (2011, June). The role of social networks in online shopping: information passing, price of trust, and consumer choice. In. *Proceedings of the 12th ACM conference on Electronic commerce* (pp. 157-166). ACM.
- Hassanein, K., and Head, M. (2007). Manipulating perceived social presence through the web interface and its impact on attitude towards online shopping. *International Journal of Human-Computer Studies*, 65(8), 689-708.
- Hernández, B., Jiménez, J., and José Martín, M. (2011). Age, gender and income: do they really moderate online shopping behavior? *Online Information Review*, 35(1), 113-133.
- Hong-Youl Ha, "Factors influencing consumer perceptions of brand trust online", *Journal of Product & Brand Management*, Vol. 13 Iss: 5, pp.329 – 342
- Hsu, S.-H., (2012), *Factors Influencing on Online Shopping Attitude*. [Online] Available at: <<http://www.jimsjournal.org/19%20Shu-Hung%20Hsu.pdf>> [Accessed on: 03 Sept 2016].
- James, S. A. and P. T., (2012). *Consumers' attitude towards online shopping*. [Online] Available at: <<http://www.aabri.com/manuscripts/131640.pdf>> [Accessed on: 03 Sept 2016].
- Keisidou, E., Sarigiannidis, L., and Maditinos, D. (2011), Consumer characteristics and their effect on accepting online shopping, in the context of different product types. *International Journal of Business Science & Applied Management*, 6(2), 31-51.
- Khan, H., (2016), *A Report on eCommerce Trends in Bangladesh*. [Online] Available at: <<http://www.kaymu.com.bd/research/#ageGroup>> [Accessed

- on: 15 Oct 2016].
- Kim, J. S. and J., (2012), *Factors affecting Indian consumers' online buying behavior*. [Online] Available at: <[http://businessperspectives.org/journals\\_free/im/2012/im\\_en\\_2012\\_02\\_S\\_inha.pdf](http://businessperspectives.org/journals_free/im/2012/im_en_2012_02_S_inha.pdf)> [Accessed on: 03 Sept 2016].
- Lee, J. (2004), Discriminant analysis of technology adoption behavior: A case of Internet technologies in small businesses. *Journal of Computer Information Systems*, 44(4), 57-66.
- Li, N., and Zhang, P. (2002). Consumer online shopping attitudes and behavior: An assessment of research. *AMCIS 2002 Proceedings*, 74.
- Limayem, M., Khalifa, M., and Frini, A. (2000), What makes consumers buy from Internet? A longitudinal study of online shopping. *IEEE Transactions on Systems, Man, and Cybernetics-Part A: Systems and Humans*, 30(4), 421-432.
- Ling, K. C., Chai, L. T., and Piew, T. H. (2010). The effects of shopping orientations, online trust and prior online purchase experience toward customers' online purchase intention. *International Business Research*, 3(3), 63.
- Masoud, E. Y. (2013). The effect of perceived risk on online shopping in Jordan. *European Journal of Business and Management*, 5(6), 76-87.
- Ming-Shen, W., Chih-Chung, C., Su-Chao, C., and Yung-Her, Y. (2007). Effects of online shopping attitudes, subjective norms and control beliefs on online shopping intentions: A test of the theory of planned behaviour. *International Journal of Management*, 24(2), 296.
- Miyazaki, A. D., and Fernandez, A. (2001). Consumer perceptions of privacy and security risks for online shopping. *Journal of Consumer affairs*, 35(1), 27-
- Park, C. H., and Kim, Y. G. (2003). Identifying key factors affecting consumer purchase behavior in an online shopping context. *International Journal of Retail & Distribution Management*, 31(1), 16-29.
- Parsons, A. G. (2002). Non-functional motives for online shoppers: why we click. *Journal of Consumer Marketing*, 19(5), 380-392.
- Patnaik, S., (2015), *Consumer Perception Towards Online Shopping*. [Online] Available at: <<http://www.slideshare.net/Subh006/consumer-perception-towards-online-shopping-final-subhasish-patnaik>> [Accessed on: 03 Sept 2016].
- Phau, I., and Lo, C. C. (2004), Profiling fashion innovators: A study of self-concept, impulse buying and Internet purchase intent. *Journal of Fashion Marketing and Management: An International Journal*, 8(4), 399-411.
- Point, A., (2016), *ASSIGNMENT on ONLINE SHOPPING BEHAVIOR*. [Online] Available at: <<http://www.assignmentpoint.com/business/marketing-business/assignment-on-online-shopping-behavior.html>> [Accessed on: 15 Oct 2016].
- Rohm, A. J., and Swaminathan, V. (2004), A typology of online shoppers based on shopping motivations. *Journal of business research*, 57(7), 748-757.
- Saad Akbar, P. T. J., (2015), *Consumers' attitude towards online shopping: Factors influencing employees of crazy domains to shop online*. [Online] Available at: <<http://www.aabri.com/manuscripts/131640.pdf>> [Accessed on: 15 Oct 2016].
- Sarwar, A. S. I. and A., (2016), *E-commerce in Bangladesh*. [Online] Available at: <<http://archive.dhakatribune.com/business/2016/jan/31/e-commerce-bangladesh>> [Accessed on: 13 august 2016].
- Van Wilsem, J. (2011). 'Bought it, but never got it' assessing risk factors for online consumer fraud victimization. *European Sociological Review*, jcr053.
- Wang, Y., and Sun, S. (2010). Examining the role of beliefs and attitudes in online

advertising: A comparison between the USA and Romania. *International Marketing Review*, 27(1), 87-107.

Zhou, L., Dai, L., and Zhang, D. (2007). Online shopping acceptance model-A critical survey of consumer factors in online shopping. *Journal of Electronic Commerce Research*, 8(1), 41.

Zhou, T. (2011). Understanding online community user participation: a social influence perspective. *Internet Research*, 21(1), 67-81.