

# The Distinctive Characteristics and Attributes of Online Buying Behaviour

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## **Abstract—**

*Electronic commerce has come to stay as witness from the growth of online shopping all over the world. Online shopping is the form of shopping which enables customers to purchase goods through the internet. The phenomenon of internet shopping has shown rapid growth in retail e-commerce and forcing change in social and economic life of everyone using the Internet. The technological changes are putting the e-retailers on their toes to rethink the business models to use in such an era from the traditional brick-and-mortar to brick-and-click ones. Electronic shopping is very convenient for the customers who get their purchases of products and services online delivered home at a single click on the mouse. While the uncontrollable factors (external and personal ones) affecting online and traditional consumer behaviour have remained the same. However, the tools used by traditional and online marketers in order to influence the buying behaviour of their customers are not quite the same. In this paper we explore the distinctive features of the 'e-consumer behaviour', the ones which promote e-shoppers' intention to buy online. An assessment of the scholarly*

*works on online shopping reviewed lack of coherent agreement on factors affecting online shopping behaviour. However, we still identified four key dimensions of online shopping namely websites; content, information content, design, security and privacy on the distinctive factors affecting e-consumers' shopping behaviour using the unique tool applicable to online experience. In illustrating the features of the 'e-consumer behaviour' two examples will be looked at one from a consumer market, business-to-consumer (B2C) e-commerce, eBay.com and the other one from an organizational market, (B2B) business-to-business (B2B) e-commerce, Alibaba.com.*

**Keywords** — *Internet shopping, e-consumer behaviour, online shopper, e-marketing and e-shopping attitudes.*

## INTRODUCTION

This essay is about the distinctive features of the 'e-consumer behaviour'. We begin the essay with a review of the literature on online shopping and then focus on the distinctive factors affecting consumers' shopping behaviour. In illustrating the features of the 'e-consumer behaviour' two examples will be looked at one from a consumer market, business-to-consumer (B2C) e-commerce, we have eBay.com and the other one from an organizational market, (B2B) business-to-business (B2B) e-commerce, we have Alibaba.com. In conclusion the implications for practice and future research are discussed.

## THE METHODOLOGY

This study is an analysis of some secondary data. Secondary data in research are data which have not been collected with a specific research purpose (Bryman and Bell, 2011). The focus of this study is mainly to show the distinctive characteristics and attributes online buying behaviour. Some publications used in this study include the Journal of Retail and Distribution Management, Journal of the Academy of Marketing Sciences, Online Information Review, Journal of Computer Information System and Journal of Electronic Commerce Research. The previous studies on the phenomenon of electronic commerce consumer behaviours have never focused on the uniqueness of e-consumers and the distinctive tools for e-marketing.

## LITERATURE REVIEW

Online shopping is the form of shopping which enables customers to purchase goods through the internet (Pabalkar, 2014). The phenomena of internet shopping have shown rapid growth in retail e-commerce and it is estimated to grow reaching US\$ 1506 billion by 2018 (Lim et al.,

2016). The born-global and retail e-commerce firms have demonstrated the need for a change in business model in this era from the traditional brick-and-mortar to brick-and-click ones. An e-commerce business model is aimed at using and leveraging the unique qualities of the Internet and the World Wide Web. A model will include the roles and relationships among a firm's customers, allies, suppliers; the major flows of products, information and money; as well as the major benefits to the participants.

Online shopping behaviour also called internet shopping/buying behaviour is about the process of purchasing products or services via the Internet. In other words, it refers to consumers' psychological state in terms of making purchases on the Internet. The consumer buying decision process and possible influences on the process may include situational, psychological and social influences. Traditionally the process follows the steps of: problem recognition, information search, evaluation of alternatives, purchase and post purchase evaluation. The process consists of five steps similar to those associated with traditional shopping behaviour (Liang and Lai, 2000). Furthermore, with recent scholars like, Chawla, Khan, and Pandey (2015) the online buying behaviour stages have been divided into: attitude formation, intention, adoption and continuation with online buying. According to Chawla, Khan, and Pandey, (2015) the most important factors that influence online buying which are widely researched and reported on are: attitude, motivation, trust, risk, demographics, website etc. While Pabalkar (2014) observed that online shopping features can be categorized as either consumers' perceptions of functional utilitarian dimensions like the end of use and usefulness, or their perceptions of emotional aspects i.e., hedonic

dimensions like enjoyment (Childers et al., 2001). Although many studies have been conducted on various factors affecting online shopping behaviour independently, most of them isolated a few major factors, usually between three and six factors (Chen, 2009; Lim et al., 2016). Ganesh, et al., (2010) have noticed that there are more similarities than differences among traditional and online store shoppers. Yet, there are a few distinctive characteristics and attributes of the online retail environment attracted to unique shopper types present at online stores.

Li and Zhang (2002) identified a total of ten interrelated factors: the external environment, demographics, personal characteristics, vender service/product characteristics, attitude towards online shopping, intention to shop online, online decision making, online purchasing and consumer satisfaction. The first five are found to be ordinarily independent (the external environment, demographics, personal characteristics, vender service/product characteristics and website quality) and while the other five (attitude toward online shopping, intention to shop online, decision making online purchasing and consumer satisfaction) are ordinarily dependent variables in empirical literature.

Hernández et al. (2011) analysed whether individuals' socioeconomic characteristics – age, gender and income – influence consumer online shopping behaviour. The results of the research show that socioeconomic variables do not condition the behaviour of the experienced e-shopper.

Chen (2009) made a study based on theory of planned behaviour "extends Theory of Planned Behaviour (TPB) by including ten important antecedents as external beliefs to online

consumer behaviour. The results of data analysis confirm Perceived Ease of Use (PEOU) and trust are essential antecedents in determining online consumer behaviour through behavioural attitude and perceived behavioural control. The findings also indicate that cost reduction helps the consumer create positive attitude toward purchase.

Butter and Goritz (2008) studied online trustworthiness and reliability which promote both intentions to buy and actual financial risk for medical goods. Other drivers of online buying identified include aspects like average time spent on the Internet, usage, convenience, hassle free transaction, exchange policy and cash on delivery. While (Alam, et al., 2008; Shergill, and Chen, 2005) have found four dominant factors as: website design, website reliability/fulfilment, website customer service and website security/privacy.

Demangeot and Broderick (2007) used a holistic approach on consumer perceptions of online shopping environments. The consumers perceive these environments in terms of their sense-making and exploratory potential, and consider the influence of these on user involvement with the website, shopping value and intention to revisit. Findings indicate that sense-making and exploratory potential are distinct constructs; exploratory potential mediates the relationship between sense-making potential and involvement. Furthermore, involvement is essential in producing shopping value and intention to revisit.

Ying (2006) discovered shopping cart abandonment is the bane of many e-commerce websites. Specifically, he developed a joint model for the cart, order, and purchase quantity decisions in examining online purchase behaviour across multiple shopping sessions. Empirical analysis shows that not all abandoned shopping carts result in lost sales. Customers routinely pick up abandoned carts and complete

the final orders. Among the factors that propel customers to continue with aborted shopping are the time of shopping, time elapsed since the previous visit, the number of items left in the abandoned cart, and promotion intensity (Kukar-Kinney and Close, 2010).

Khalifa and Limayem (2003) applied well-established behavioural theories to explain Internet consumer behaviour and to identify key factors influencing purchasing on the website and as well as to examine their relative importance. The results indicate that the intentions of Internet consumers are significantly affected by the perceived consequences of online shopping, the consumers' attitudes towards it, and social influence. While many others scholars have studied the online shopping service attributes and their studies have classified the attributes of online stores into four categories: merchandise, customer service and promotions, navigation and convenience, and security (Park and Kim, 2003).

Kim and Park (2003) investigated the relationship between various characteristics of online shopping and consumer purchase behaviour. Results indicate that information quality, user interface quality and security perceptions affect information satisfaction and relational benefit that in turn, are significant related to each consumers' site commitment and actual purchase behaviour. Ranganathan and Ganapathy (2002) has four key dimensions of online shopping namely websites; content, information content, design, security and privacy; and further argue that security and privacy will have greater impact on the purchase intent of online buyers. Many other earlier researchers have been emphasizing on elegant design of website being a very important attraction to online shoppers (Turban

et al., 2002; Kin and Lee, 2002; Than and Grandon, 2002; Shaw et al., 2000).

In summing up this review of literature on e-consumer behaviour, it is clear that among the scholars there exist some lack of agreement on relevant factors influencing online shopping. It is also worth noting that there need to synthesise the different theoretical understandings and model on online consumer behaviour. Nonetheless, there are a number of distinctive characteristics and attributes of electronic commerce which will be the focus of the discussion in the next two section.

## **BUSINESS-TO-BUSINESS (B2B) AND BUSINESS-TO-CONSUMER (B2C) ELECTRONIC COMMERCE**

Electronic commerce activities are generally classified to be either business-to-business (B2B) or business-to-consumer (B2C) transactions (Pabalkar, 2014). Business-to-Consumer B2C e-commerce refers to a company directly transacting with or selling to the individuals who are the end-users of the products and services over the Internet (Drigas, and Leliopoulos, 2013). While B2B e-commerce transaction means a business interacting with another business electronically, in particular via the Web (Zeng, Wen, and Yen, 2003). The B2B e-commerce also facilitates transactions between wholesalers and retailers or manufacturers and wholesalers and is typically a much more complex process than B2C e-commerce. In other words, B2C e-commerce deals with activities and purchases of products for personal or household use and whereas B2B e-commerce deals with transactions for business purposes.

One of the best-known examples of B2C e-commerce in the USA is ebay.com. It was initially thought of as consumer-to-consumer (C2C) business for exchanging of used goods. However, in recent years it has become a huge e-marketplace for retail business and manufacturers to market their goods directly to consumers. On B2B e-commerce companies, Alibaba.com is one of the leading examples from China. It provides an e-marketplace connecting small and medium-sized buyers and suppliers both in China and around the world (Qing, 2008). The key factors to Alibaba's success, include a strong brand, providing customers with outstanding value and a superior shopping experience, massive sales volume and realizing economies of scale. Both Alibaba and eBay don't hold an inventory. While Alibaba don't not support consumer credit service, eBay allows for bill me later facility. Both Alibaba and eBay have their own e-payment services Alipay and PayPal respectively.

B2B e-commerce is relationship driven while B2C e-commerce is product driven; this means that B2B business maximizes on the value of the relationship and the B2C arrangements capitalizes on the value of the transactions. In the B2B setting brand identity helps create relationships; and in the case of B2C brand identity will be created through repetition and imagery. B2B e-commerce can have a small focused target market but involving multi-step buying processes (longer sales cycle), compared to B2C e-commerce with a large target market but having single step buying process (shorter sales cycle). The buying decision in B2B is mainly rational based on business value while in B2C, the buying decision is emotional based on status, desire or price.

## **SOME OF THE DISTINCTIVE FEATURES OF THE E-CONSUMER BEHAVIOUR**

“The uncontrollable factors (external and personal ones) affecting online and traditional consumer behaviour have remained the same. However, the tools used by traditional and online marketers in order to influence the buying behaviour of their customers are not quite the same” (Constantinides, 2004, p121). Constantinides, (2004) identified some elements which can be considered distinctive features in the literature influencing the online buying behaviour grouped into three main categories as (functionality, psychological and content factors) which relate mainly to the online environment. And from three categories, there are five sub-categories of: usability, interactivity, trust, aesthetics and marketing mix, each one including several other elements.

The functionality factors have two aspects i.e., usability and interactivity for enhancing the online experience to consumers by presenting them with a good working, easy to explore, fast, interactive website. Under usability some features to be considered are online customer convenience, site navigation and speed, information architecture, ordering/payment process, findability/accessibility, and search facilities and process (Constantinides, 2004). In this case, interactivity means more than interaction with company personnel but also customization and after sales customer services as well as network effects to online consumers.

Secondly, the psychological factors which hinge on integrity and credibility to win the trust of consumers for secure transactions and safety of customer data as well as guaranteed return policies (Dennis, et al., 2009; Constantinides, 2004). The psychological factors play a crucial role in helping online customers who are unfamiliar with the vendor

or unfamiliar with online transactions to overcome fears of fraud and doubts as to the trustworthiness of the website and vendor. The websites must communicate integrity and credibility in order to persuade customers to explore them and to interact online. Other factors likely to affect the customer trust are policies regarding the use of customer data by online vendors and product return policies in place (Park, and Kim, 2003; Zhou, et al., 2007). Similarly, on the product itself, it is worth considering some product risks social, financial and performance risks (Penz, and Hogg, 2011).

Thirdly, the content factors deal with aesthetics (design, presentation quality, design elements, style/atmosphere) and the marketing mix (communication, product, price, promotion, fulfilment and characteristics) concentrating on the innovative features of online presentation. These factors exercise a direct and crucial influence on the web experience with which reflect the nature and/or the effect of it on the buying process (Constantinides, 2004). Aesthetics embrace the artistic and creative elements of the online presentation, aiming at a pleasing appearance or effect. These elements communicate the website's atmosphere, something important for attracting online customers by inducing positive and powerful motives for visitors to stop, explore and possibly interact with the website. Design and style/atmosphere of websites are elements quite crucial in shaping the online experience and the buying decision making process.

The marketing mix's 4Ps to which is included fulfilment are essential contributors to the website experience. All the facets of the marketing mix are still important to online shopping experience; though, the two communication and fulfilment will be mentioned in the essay. Communication is

about the quality of information provided about the firm's products, the clarity of selling conditions and the delivering terms. Information on the website can to a certain degree compensate the lack of physical contact with the product, reducing the online consumer's uncertainties.

Fulfilment with website experience has the exception of digitized products (music, software, e-books, etc.) easily delivered online. Yet for all other types of products offered online the order fulfilment and product delivery do not coincide with the placing the online order. The way online vendors follow up orders and deliver products has an immediate impact on the willingness of customers to order and more importantly, to return to the Web site for business in the future (Constantinides, 2004). Alternative payment methods, fast delivery, flexible delivery options and order tracking are frequently mentioned elements of the fulfilment process.

The Internet marketing techniques can also be treated as part of the distinctive features of e-commerce for e-marketers. Internet marketing technique and tools include: the web transaction logs, cookies and web bugs, databases and data warehousing, web data mining, advertising networks and Customer Relationship Management (CRM) systems. Any business doing e-commerce uses some form of information system to operate Internet retailing. The type of sophistication on the information systems determines the sort of data to be stored like typical information about customers, products and transactions, each in different levels of detail. More sophisticated electronic traders keep also track of customer communication, distribution details, advertising information on their sites associated with products and / or services, sociographic

information, and so forth (Büchner and Mulvenna, 1998).

Web transaction server log data is generated by the interactions between the user browsing an individual website and the web server. The httpd process that runs on web servers provides a facility to log information on accesses to the server and that data can be divided into log files and query data. There are three types of log files, namely server logs, error logs, and cookie logs (Büchner and Mulvenna, 1998). Behavioural targeting marketing uses information collected on an individual's web-browsing behaviour, to select which advertisements to display to that individual (Yan, 2009). Website owners display content more relevant to the interests of the user.

## CONCLUSION

Thus, we see that despite the tools for e-marketing having changed for the new digital era, the principles of marketing have remained the same. In other words, this means that the uncontrollable factors (external and personal ones) affecting online and traditional consumer behaviour have remained the same. However, the tools used by traditional and online marketers in order to influence the buying behaviour of their customers are not quite the same. Four distinctive features were identified as key dimensions of online shopping being influential in the 'e-consumer behaviour', the ones which promote e-shoppers' intention to buy online are: websites; information content, design, security and privacy.

The assessment of the scholarly works on online shopping reviewed lack of coherent agreement on factors affecting online shopping behaviour. Other areas lacking agreement are on the models of e-consumer behaviour and theoretical frameworks which remain as fields

of further future research. On the payments methods, there is need for further exploration on the credit card penetration and mobile money systems. Finally, we make one recommendation that as electronic commerce grows more and more the four key unique dimensions of e-consumer behaviour which include: the websites; information content, the design, security and privacy to be taken as an indispensable aspect of e-marketing.

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