

Study on the Influencing Factors of Online Shopping

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Abstract

With the rapid development of network technology, electronic commerce and e-marketing had been formed and developed gradually. The number of Internet users was increasing and would soon overtake the United States as the world's second-largest national Internet users. However the Chinese Internet users who were rarely engaged in online shopping which made the online retail was far from attaining its rightful amount. This study based on the research result of influencing factors of consumer behavior made by domestic and foreign scholars, analyzed and comprised consumer behavior under the condition of tradition and Internet, then putted forward the influencing factors and restrictive factors of online shopping in china.

Keywords: online shopping
consumer behavior influencing factor

1 Introduction

With the rapid development of network technology, electronic commerce and e-marketing had been formed and developed gradually, thereby forming new business model and business chance which exerted an important influence on the country's economic future development and international

competitiveness. Among ranked the world's top 500 companies, 95 percent companies established their own website, 30 percent companies conducted online commercial activities through their website. According to the 20th China Internet Development Report of China Internet Network Information Center (CNNIC), up to June 30, 2007, the number of Chinese Internet user had reached 1.62 billion which after the United States' 2.11 billion as the world's second-largest national Internet users. According to the CNNIC report there were about 30 percent people who had the experience of online shopping, now a sudden increase of 10 percent points to 40.7 percent which meant the users of online shopping was more than 6500 million people. This was a good foundation for the masses base to develop online shopping in China. But online retail was far from attaining its rightful amount. Compared with traditional retail, online retail was also very small proportion of the total sales, Internet users were prefers browsing than shopping in Internet stores, maximum colony (23% among the total) who took part in online shopping were adopted the way of browsing online and shopping underline. Although there were many people who had experience of online shopping, the frequency of shopping was small, 60 percent online shopper had one or two online shopping experience in one year of china.

This paper hopes to help relevant enterprises to develop Internet marketing,

effective analyze of consumer behavior, and design targeted marketing programmers. And gives academia field another thought for the research of online shopping research.

2 Related literature

In traditional shopping condition, marketing theory thought the influencing factors of consumer behavior included culture factors(culture, subculture , social stratum), social factors(reference group, family, role and status), personal factors(age, career, economic status, life style, self-concept), psychological factors (motivation, sensory, learning, belief, attitude) and such as. Consumer purchasing decisions were comprehensive action of cultural, social, personal and psychological factors. Although many of these factors could not be changed by the marketing staff, they were useful for develop potential customer. From a psychological point of view, researchers thought the conduct of consumers' identity was restricted by social group especially nation, class, groups and family. Consumer psychological activities and purchasing conduct were completed independently. Although external factors affected the personal conduct to some extent, the purchase would ultimately depend on the individual. The conduct might be changed with external and internal factors in the process of purchasing. With the effect of external and internal factors formed self-image and way of life which induce corresponding needs and desires. These needs and desires must be satisfied by consume. Once consumers faced the appropriate context, consumer decision-making process would be initiated.

3 Comparison of consumer behavior in tradition shopping with online

shopping

The research on consumer behavior in traditional shopping condition was on the base of consumers going to shop to buy, which influencing factors included social, cultural, personal, psychology etc. Likewise, consumers online were restrict with social cultural environment and psychological factors. Online shopping as the development and supplement of traditional shopping had its own characters. The details were shown on table 3-1 “Influencing factors of online shopping and traditional shopping”:

Influence factors	traditional shopping	online shopping
retailer	Place, traffic condition, distribution	web site visibility
	shops credibility	online shops credibility
	promotion	information comparison
service factor	service quality service mode	payment security, privacy
environmental factors	shopping environment	Web site interface
purchasing motivation	experience	convenient time
personal factors	shopping preferences, experience background	education level, the experience of network

Table 3-1 Influencing factors of online shopping and traditional shopping

4 Influencing factors of online shopping

In online shopping condition, culture, social, personal, psychological etc factors still had influencing role. However, online shopping features made the relevant factors show the characteristics different from the past.

First, since the opening of the network, online transactions between consumers

and retailers faced various risks. The more risk consumers should face, the less conduct of online shopping they would attend. At present, immature medium of payment and credit means of online shopping made safety were the major influencing factors of online shopping.

Second, preserving privacy of online shopping was other important factors. Online transmission of consumer individual information was easily intercepted and illegal utilized. Out of personal privacy considerations, a great portion of the consumers had a wait and see attitude towards online shopping.

Third, consumer cognition was another important factor. As deep-rooted traditional shopping habits-consumers' seeing are believing, after personally see, hear, touch, taste, try, and other sensory judgment and choice of goods, consumer made purchasing decisions, Online shopping could only provide visual effects which influenced consumer online shopping.

Last, consumer computer and the Internet experience were also influenced online shopping. As the shopping website had licensing, landing, operating and ordering procedures generally, consumers who took apart in online shopping should have basic knowledge of computer and Internet.

5 The restrictive factors of online shopping in China

Risk perception of consumer became the shackles for the development of online shopping

Although online shopping had many advantages, meanwhile there was a lot of uncertainty. Previous studies had shown that the risk perception of consumer was greater in non-store sales than store sales. Website as a new model of non-store sales unable consumer contact with the

actual products and businesses which made Internet transactions lacked of public trust. Thus, the risk perception of consumer was greater through online shopping than traditional shopping. The risk perception of consume had became the main restrictive factors of online shopping. Compared with the pace of development of networks, online shopping still lagged behind. Most of Internet users had not became a member of online shopping consumer, they still were web browser. The development of online shopping was relatively lagging related to the imperfect legal system and support environment in china. The main reason why the inexperienced people do not attempt to buy online was that they distrust the website or afraid of being deceived. Commodity quality, timely distribution, information description, means of payment, site integrity were the factors which needed to be improved.

Comprehensive quality of Internet users was other restrict factors of online shopping

According to <20th China Internet Development Report> of China Internet Network Information Center (CNNIC), Chinese Internet users who rarely engaged in the business, over 2/3 of Internet users were indulging in online entertainment. China's Internet applications focused on entertainment. Internet usage of online music was more than 2/3 of the total population, playing Internet game of Internet users has nearly half. There were obvious differences with the United States of American whose Internet applications focused on business. Even if China's population of Internet users more than the United States in next year, if its applications still stayed in entertainment, the Internet's largest commercial value can not be reflected in China. Improving the online shopping site characteristics, enhancing the quality of Internet users and attracting more

Internet users in the online business is what we need to do.

6 Summary

The paper made exploratory research on the influencing factors of online shopping. It was the first step of this research, the next step was to supplement and perfect the influencing factors and demonstration how the factors to influence the online shopping by empirical research.

7 Reference

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