

## Influence Factors of Online Shopping

*Binbin He and Christian Bach*

Department of Technology Management,  
University of Bridgeport,  
Bridgeport, CT 06604, USA

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**ABSTRACT:** Perceived risk, Shopping motivations, Experience, Service quality and Trust are five important factors to improve the competitiveness of online shopping.

**KEYWORDS:** Perceived Risk, Shopping Motivations, Experience, Service Quality, Trust.

### 1 INTRODUCTION

This paper wants to research influence factors of online shopping, the advantages and disadvantages of online shopping; and how to improve the competitiveness. The foundation of this paper was based on some factors about if people choose the online shopping. Via analyzed the factors, I will present some suggestion about how to improve the competitiveness. Online shopping had some problems in user-friendliness and aesthetics [1]. Now it is the first evolved of B to C E-commerce [2].

The first factor is Perceived risk. Perceived risk is an important part of online shopping factors. Consumers are worried much about perceived risk. It is a big factor if they choose buy products from online shopping companies or not. Hassan, Perceived risk is an important role, consumers know much about the products and online shopping companies [3]. If consumers found one of the perceived risks was too high, they would give up to buy something from the online shopping companies [4].

The second factor is shopping motivations. This part we will talk about shopping motivations. The companies will separately identify the key online shopping motivations of the products [5]. Shopping motivations are based on benefits and sacrifice [6]. I will to research the shopping motivations form two ways: dimensionalities and psychometrics. It is helpful for us to research the shopping motivations.

The third factor is Experience. The website of online shopping want to seek an easy way to use it [7]. If the online shopping companies can provide a better shopping experience, low-involvement products will be more successful [8]. Customers will like an easy and beautiful website. If they want to buy a product from online companies, they need a fast and safe way to buy products. It is hard to build a successful website; and online shopping stores need to think about how to solve some problems by customers' side.

The fourth factor is service quality. Many customers thought the service quality was too terrible [9]. Customer service quality is defined in global judgment, it has a superiority [10]. Service quality is hard to evaluate, it is more difficult than goods quality [11]. Some stores often ignore the service quality. It is as important as products quality, every customer needs a good product quality but they also need good service quality from online shopping stores. It is a big problem to online shopping stores because if people cannot provide good service quality, no one will buy their products, even though they have the best goods.

The last factor is trust. Trust in sellers in very important to build a relationship between sellers and customers [12]. Most of consumers do not trust the online shopping companies [13]. Trust is as important as price to influence the consumers

choose online shopping [14]. To build the trust between sellers and buyers is very basic. A buyer want to buy the product form an online seller, they need to build trust with seller. Now, a lot of online shopping companies do not build a basic trust with consumers. It is an important factor of online shopping.

In discussion and importance, I will compare this five factors with local stores. I will find the advantages and disadvantages, and I will give some advice to disadvantages.

## **2 INFLUENCE FACTOR OF ONLINE SHOPPING**

*Table 1. INFLUENCE FACTOR OF ONLINE SHOPPING*

<b>Factor</b>	<b>Sub factor</b>
<b>Perceived risk</b>	1. Privacy 2. System security 3. Fraudulent behavior 4. Credit card security 5. Products problem
<b>Shopping motivations</b>	1. Price 2. Discount 3. First publish 4. Service quality 5. Advertisement
<b>Experience</b>	1. Accessibility 2. Professional advise 3. Website design 4. Multi-terminal 5. Payment method
<b>Service quality</b>	1. Provide good introductions of products 2. Provide some other choices about the product. 3. Reliability 4. Pre-sales service 5. After-sales service
<b>Trust</b>	1. Provide salable product 2. Professional ability 3. Correct introduction 4. Payment security 5. Website security

## 2.1 MODEL OF FACTORS



Fig. 1. Influence Factors of Online Shopping with six main factors and 30 sub factors

## 3 DISCUSSION

### 3.1 PERCEIVED RISK

While the perceived risk was shared by customers, it is more likely near the true risk [15]. Perceived risk will has negative consequences, it is important to online shopping [16]. If you feel the benefits of online shopping, it will gain the consumers' subjective perception [17]. Perceived risk will discourage the consumers to buy products from online shopping [18]. Perceived risk is an important role, consumers know much about the products and online shopping companies [3]. If consumers found one of the perceived risks was too high, they would give up to buy something from the online shopping companies [4].

Perceived risk includes five sub factors: Privacy, System security, Fraudulent, Credit card security and Products problems. Every customer is worried about privacy, reveal customers' personal privacy is a general phenomenon. Many online shops did not do well in this factor before, it has a negative effect. Second sub factor is system security. Research shows many online stores have some system security problems, they cannot keep their systems safe.so it is a negative effect, and online stores need to solve this problem. The third sub factor is fraudulent behavior, normal online stores do it well, because they know a successful business is based on integrity. It is positive effect, most of online stores keep it well. Other online stores deceive customer, but it just a small part, they just want to deceive, they are not real online stores. The fourth sub factor is credit card security, it is very important to stores and customers because it is about money. Payment security is very important to American online shopping, so every online store do it well, if they cannot make sure customers' credit card safe, no one want to buy something in this store. So every online shop do it well, it is a positive effect. The last sub factor is products problems. Customers cannot touch the product which they want to buy, so they cannot sure they will like it. It is a negative effect.

### 3.2 SHOPPING MOTIVATIONS

This part we will talk about shopping motivations. The companies will separately identify the key online shopping motivations of the products [5]. Shopping motivations are based on benefits and sacrifice [6]. Internet shopping motivations

from various reasons, we need to research it [19]. The online shopping motivations come from utilitarian and hedonic perspectives [20]. If we want to validate the hedonic shopping motivations, we can focus on simple shoppers [21]. We need to examine the dimensionalities and psychometrics, so we can know the shopping motivations [22].

Shopping motivation means why customers buy this products. It is also can be explained how stores attract customers to buy their products. Online shopping has many positive effects in this factor. The first sub factor is price. The local stores need to pay much money in rent, so rent is a part of cost. Base on this condition, online shops can provide the same product in a lower price. Online shops just need a warehouse to keep products, the cost is much lower than local stores. So it has a positive effect in this sub factor. The second sub factor is discount. Because of online shops have lower cost, so they can give lower discount. Online shops can send e-mail to customers when they have discount, they can buy it on website on an easy way, but if the local stores have discount, customers have to go to the shop, it is not convenient. It is easy to find, online stores have a positive effect in this part. The third sub factor is first publish. First publish means customers can buy the product at the earliest time. Online stores also have an advantage. Customers need to line up in local stores when a hot product be published. More people will choose to buy it online because they do not need to line up. The fourth sub factor is advertisement. Online stores also have advantages in this factor. Advertising for a store on the internet is cheaper than outdoor advertising, the advertisement on the internet also can link to the website of a store. So online shops have a positive effect in this factor. The last one is service quality, it is a big problem of online stores. Websites have many security problem, it is not easy to solve.

### 3.3 EXPERIENCE

Online shopping experience is very important to online shopping satisfaction, it has a positive effect on it [23]. Some poor customer experiences like delivery delay will influence the customers' experiences, it will cause customer Sid satisfaction [24]. The website of online shopping want to seek an easy way to use it [7]. If the online shopping companies can provide a better shopping experience, low-involvement products will be more successful [8]. Some elements of flow such as feelings of skill can improve the online shopping experience [25]. A good shopping experience will be enjoyable and stimulating [26].

Shopping experience is important to customers. It includes five sub factors: Accessibility, Professional advice, Website design, Payment method and Multi-terminal. The first sub factor is accessibility. Online shopping store is easy to access. No matter customers want to buy something or not, they can access the website and see everything what they like. In local stores, if customers want to see some products, they need to call the sellers, some customers do not like it. Some customers do not like someone knows what they want to buy. Online shops can help them protect privacy. This sub fact is a positive effect. The second sub factor is professional advice. Local stores have advantages in this sub factor. Many local stores sell some products for many years, they can give you some very professional advises face to face. Customers can tell them what you want, and they can find some information from their mind, so customers can get the best shopping experience in this fact. Local stores have advantages in this sub factor. The third factor is website design. Many local stores also have websites, but they just provide new products' introduction and customers can buy something form this website. Online stores provide useful products' introduction and price, customers can buy this product in this website. In this sub factor, online shopping has an advantage. This fourth sub factor is multi-terminal. Online stores provide multi-terminal apps. Customers can buy something using computers, they also can buy it using cellphone apps. For example, Amazon provides a software for iPhone and android Phone, you can search some products' price and information. You need to go to local stores if you want to buy something from them. Online stores have advantages in this sub factor. The last sub factor is payment method, local stores can use cash and card, you cannot use cash in online stores. In this factor, local stores have an advantages.

### 3.4 SERVICE QUALITY

It is a very important part of online shopping factors. The service quality includes web site design, reliability, and responsiveness and so on [27]. Many customers thought the service quality was too terrible [9]. Customer service quality is defined in global judgment, it has a superiority [10]. Service quality is hard to evaluate, it is more difficult than goods quality [11]. Manage a good service quality is an essential challenge for online shopping companies [28]. The importance of service quality can be understated, it is very important to online shopping [29].

Service quality is very important to online stores. This factor includes five sub factors: 1. Provide good introductions of products 2. Provide some other choices about the product. 3. Reliability 4. Pre-sales service 5. After-sales service. The first sub factor is provide good introductions of products. Online stores has an advantages in this sub factor. Online stores have enough place to introduce this product, customers will know more details of the product. Local stores cannot provide so many information about products, they often introduce the products by talking, and customers often get the advantages but

don't know the disadvantages. In this sub factor, online stores has a positive effect. The second sub factor is provide some other choices about the product. Online stores can provide the same kinds of products in the same website, customers can choose the best one they think. Local stores often put the same kinds of products in the same place. Customers will be easier to choose the best one than online stores. Local stores have advantages in this sub factor. The third factor is reliability. Local stores have the physical stores, customers think they are more reliable. In the sub factor, local stores have advantages. The fourth sub factor is pre-sales service. Local stores can provide good pre-sales service because they can talk with customers face to face. Online stores often cannot provide a good pre-sales service, customers need to know something about the product just form the introduction on the websites. In the factor, local stores have advantages. The last sub factor is after-sales service. The after-sales service is one of the most important factors in online shopping. Customers can bring the products to local stores, they will help customers. If customers buy this products form online stores, they often don't know who can help them. Online stores need do more in this sub factor.

### **3.5 TRUST**

This part I researched the trust. Trust in sellers in very important to build a relationship between sellers and customers [12]. Most of consumers do not trust the online shopping companies [13]. Trust is as important as price to influence the consumers choose online shopping [14]. Trust also is very important no matter in positive or negative toward events [30]. Trust is generally crucial in economic activities, it is also important in undesirable behavior [31]. Trust will build on the use of online shopping.

To build trust between online shops and online buyers is necessary and important. Losing trust will lose customers in the future. Get trust will avoid many other problems and it will build some fixed customers. This factor includes five sub factors: 1. Provide salable product.2. Professional ability.3. Correct introduction.4. Payment security.5. Website security. The first sub factor is provide salable product. Customers often easy to believe local stores provide salable product. Online stores often give them a bad impression. They often think that online stores just want you to buy, they often provide unsalable products. In this sub factor, online stores need to do more. The second sub factor is professional ability. Local stores often build a professional environment in their stores, and they often know much about their products. But online stores often cannot do it well. The third sub factor is correct introduction. Local often introduce the advantages of the product, and they do not tell customers the disadvantages. Online stores often give customers all of the information about the product. So online stores often provide more objective introduction. The fourth sub factor is payment security. Online stores often have many problems about payment. Customers are often worried about payment security because they need to use the safe number. If customers want to buy something from local stores, they do not need to worry about it. The last sub factor is website security, online stores have many problems about it. It is a disadvantage.

## **4 IMPORTANCE**

### **4.1 COMPARISON**

Perceived risk, Shopping motivations, Experience, Service quality and Trust are five important factors to improve the competitiveness of online shopping. Online shopping has some advantages in some sub factors, and it also has some disadvantages in some sub factors. First, list negative sub factors and positive sub factors in a table.

**Table 2. Negative and Positive Sub Factors about Online Shopping**

<b>Factor</b>	<b>Negative sub factor</b>	<b>Positive sub factor</b>
<b>Perceived risk</b>	1.Privacy 2.System security 3.Product problem	1.Fraudulent behavior 2.Credit card security
<b>Shopping motivation</b>	1.Service quality	1.Price 2.Discount 3.First publish 4.Advertisement
<b>Experience</b>	1.Professional advise 2.Payment method	1. Accessibility. 2.Website design 3.Multi-terminal
<b>Service quality</b>	1.Reliability 2.Pre-sales service 3.After-sales service 4. Provide some other choices about the product.	1.Provide good introductions of products
<b>Trust</b>	1.Provide salable product 2.Professional ability 3.Payment security 4.Website security	1.Correct introduction

Form this table, we can find there are 14 negative sub factors and 11 positive factors. More negative sub factors show that online shops need to increase their competitiveness. Online stores just need to keep the positive advantages, and think something about how to change the negative condition.

**4.2 ADVISES**

This part will show some way to change the negative sub factors. Make negative sub factors better than before is the best way to improve the competitiveness of online shopping.

There are three negative sub factors in Perceived risk: privacy, system security, product problem. The first negative sub factor is privacy. Online stores often reveal the individual information of customers. Many customers often get some telephone promotion calls after they bought some products from online stores. Some staffs sell this information to other companies. Online stores need to strengthen control the individual information in a small group of staffs. If some customers tell the mangers of online stores they get some telephone promotion calls from other companies, the managers will be easier to find who revealed the information. The second negative sub factors is system security. It is a big problem to online stores, they can get more help from security service companies. Building cooperation relationship with a famous security service company is the best way to solve this problem. This kind of companies will provide the best security services. The last negative sub factor is product problems. Online stores can establish a quality testing institute. This institute will test every product before they sell this product on their stores. Online stores can show this quality testing report in the introduction of product.

There is two negative sub factors in experience: professional advice and payment method. The first negative sub factor is professional advice. Many online stores do not have professors about products which they sell. They can get help from factories, they can invite a professor from factories as a counselor. They can help online stores answer some professional

problems. To some common questions, online stores can answer these questions in the introduction. The second negative sub factor is payment method. Online stores can provide more third party payment methods like PayPal or any other famous third party payment methods. Customers will be easier to trust this kind of payment methods, because they do not need to use the safe number of card.

There are four negative sub factors in service quality: Reliability, Pre-sales service, After-sales service, Provide some other choices about the product. The first negative sub factor is reliability. Online stores often cannot give customers a reliable image, because they don't give customer some reasons to trust them. Online store can provide more service to build trust with customers. The second negative sub factor is pre-sales service. The best way to improve pre-sales service is manual service. If customers have some problems about this product, they can get answers form manual service. If online stores can solve their questions, online stores will have a big choice to sell out the product. The third negative sub factor is after-sales service. The best way is seven days return without reason and if the product has some quality problems, online stores need to help them return or change in 15 days. The last negative sub factor is provide some other choices about the product. Local stores often put the same kind of products in the same place, online stores also can do it. Online stores can make a list which shows every kind of products. In a website of a product, they can provide different price or brand products in this website.

There are four negative sub factors in trust: Provide salable product, Professional ability, Payment security and Website security. The first negative sub factor is provide salable product. Online stores often provide salable products but customers can sure they provide. Online stores can show more detail pictures of the products, and provide seven days return without reason. The second negative sub factor is professional ability. Online stores can invent some professors from factories as counselors. The third negative sub factor is payment security. Payment security is not easy to keep by themselves. Online stores can cooperate with security service companies, and let them provide the customers some security software.

## 5 CONCLUSION

Perceived risk, Shopping motivations, Experience, Service quality and Trust are five important factors to improve the competitiveness of online shopping. Online stores do well in some factors, they have advantages in those factors. They also has some disadvantages because they have some negative effects. In my research paper, I analyzed every factor, and find the negative sub factors of every factor. There are three negative sub factors in Perceived risk: privacy, system security, product problem. There is two negative sub factors in experience: professional advice and payment method. There are four negative sub factors in service quality: Reliability, Pre-sales service, After-sales service, Provide some other choices about the product. There are four negative sub factors in trust: Provide salable product, Professional ability, Payment security and Website security. Giving some advice about how to improve the competitiveness. To develop the advantages and avoid the disadvantages, based on the research paper, find a best way to solve problems and keep advantages. The shopping experience is very important, every customer hopes he/she can have good shopping experience. Every store needs to think about how to improve shopping experience. There are many security problems in online shopping, many customers are worried about it. If online stores want to improve their competitiveness, they must to improve the five important points, it is important to build trust between customers and stores. Online stores have many advantages, if they can solve their problems and keep their advantages, they will get more customers.

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