



Web based shopping: The evolution and the global implications

◆ An exploratory analysis from a consumer behavioural viewpoint

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Abstract

The World Wide Web can change human behaviour and human interactions to a very large extent. Web based shopping behaviour is one major example to point out the trends in this direction. This study is of a very exploratory nature and it intends to establish the differences between several web-based shoppers from different parts of the world. Several critical factors associated with online shopping behaviour will be explored. A cross cultural data set will be collected and an illustrative description of the shoppers will be provided. As a final step the cross cultural differences between several shoppers will be explored. One question which will run as a theme through out the course of this paper is, ◆Will the traditional consumer behaviour theory and research be altered by the advent of web based shopping?◆

Introduction

◆1 in 4 number of Californians who expect to make a lot or some purchases using the Internet in the coming years◆---Public policy institute of California◆s state wide survey, January◆2000

◆There are more than 400,000 companies with a web presence and a significant number are employing the Internet as a valuable revenue stream◆ --- An advertisement for a web based conference in Atlanta, Georgia, USA

◆December 26-Online shopping jumped 21.8%---Nielsen/Net Ratings

The above three statements point towards one direction, web based shopping has arrived and it is here to stay. The Internet provides both firms and consumers with new methods for communication. For instance, the Internet provides consumers with access to rich new information sources and with the potential to make better-informed decisions. According to the Nielsen◆s media research and commerce net (1998). Worldwide Internet users exceed 120 million and the value of electronic commerce transactions is inching towards the US\$20billion mark.

The Internet is moving from a small corner computer spare to a huge arena for human interactions, transactions and exchanges. To date, academic researchers have examined online consumer behaviour (Geissler and Zinkhan, 1998), Internet advertising strategy (Leong, Huang and Stanners, 1998), electronic marketing strategy (Quelch and Klein, 1996), and the economics of the Internet (Bakos, 1997). From a purely marketing angle, an important aspect is how the Internet replaces the traditional marketing and shopping patterns and what are the ramifications of this on a global scale? America Online (AOL), the US based biggest Internet service provides estimates that 10 million consumers spend approximately 25% of their on line time in web based chatting in one of 18,000 chat rooms (Marsh, 1997). 75% of the remaining time is spent either researching, reading news/magazines or shopping.

In this study several aspects of consumer shopping behaviours will be explored. Internet shoppers are classified into three broad categories: *Active shoppers* i.e. consumers who shop on a very regular basis. *Inactive shoppers* i.e. consumers who shop on a very irregular basis and remain inactive for long stretches of time and *Auction/ bargain hunters* i.e. customers who frequent the auction sites and bargain sales and purchase from these sites. Here factors for regular/irregular/bargain shopping are identified. I explore the factors (e.g.-wider range) that are associated with successful online shopping. Other issues that are explored here are - the factors that attract the online shoppers, and the role of interactive and multimedia functions (e.g.: - the role of 3D graphics and also self-enhancing images). Since online shopping is definitely expanding and can be classified as a worldwide phenomenon, I am interested in the cultural aspects of the shopping behaviour as well. A contrast will be established between other countries and US at a later stage. Since, this is a very exploratory study, it will be difficult to exactly specify the cross cultural differences but once the data is collected there will be a distinct pattern of cross-cultural variation.

Background

As a medium, one of the distinguishing features of Internet lies in its interactive ability. The Internet is all about connections between more than two objects. In many cases, marketing efforts depend upon two-way communications in Internet market places. For instance, Internet advertising (e.g.: - banner advertising) requires consumer reaction to it. Without a click (connection) on the advertising, nothing happens. Web based shopping provides a sort of interactive communications. What is web based shopping? In simple terms it is the purchase of a good or service through the Internet. Now more than ever, the promise of electronic commerce and online shopping will depend to a great extent on the interface and how people interact with the computer.

The global electronic market will have a profound impact on commerce in the 21st century. While current US sales in cyber space (\$1billion in 1995) are small in comparison to total US retail sales (\$1.7 trillion in 1995), US cyber sales projections for the year 2000 range from \$7 to \$117 billion (Lohse, Spiller, 1998). Most importantly, most experts predict a radical shift in how business will be conducted in the next century. This shift not only has businesses scrambling to meet this new marketing reality, but also raises many important research questions about business strategy, technical infrastructure, government policies, the electronic market demographics as well as how people will use the technology.

There is a huge difference between a physical store and its electronic counterpart. A help button on the home page of the web-shopping site replaces the sales clerks◆ friendly advice and service. The familiar layout of the physical store becomes a maze of pull down menus, product indices and search features. Now more than ever, the promise of electronic commerce and online shopping will depend to a great extent upon the interface and how people interact with the computer. At the same time, there

are some inherent difficulties in maintaining an online inventory. In a regular store, the managers can pull out a product from the shelf if they feel that it is not fast moving or has no demand. This is a privilege that cannot be extended to the online retail store.

The Internet has become a very powerful tool for relationship marketing. Many organizations employ the Internet to provide customer service as well as to keep in touch with their customers on a periodic and regular basis. Customer service already has been taken to a higher level when companies successfully use web-based chat. For instance, the US based floral firm, www.1800flower.com, has been successfully using web based chat functions in order to provide customer service. Unlike the general solution to customer service on the web (e.g.: email correspondence) the firm allows consumers to talk live with one of its customer service representatives for any problems and questions. Thus, consumers from the US or even Africa can solve problems immediately without telephone bills or delays through the Internet chat (Kwak, Zinkhan, Pitt, 2000).

Product Purchase

The biggest question which crops up in the minds of the marketers when they encounter on line shopping is, ♦What sort of products can be sold on the Internet?♦ The answer for this is quite simple ♦ anything and everything. This has been proved to a large extent in the case of homes, cars, computers and time-share being sold online. In terms of popularity, books, music, toys, cards (electronic), plane tickets and event tickets hold the top place. With the growing popularity of the Internet, many businesses have made establishing a presence on the world wide web a priority and some even sell directly from their web sites (Bickers, 1998). One area of marketing that is already shaking at its foundations is services marketing. Till this point, low prices used to be one of the unique selling propositions of electronic shopping, but this is no longer sufficient. Customer service has become a key factor in e-commerce competition. Customers are not satisfied to send an e-mail query and get a response a week or two later, they want instant response and that♦s the reason for online chatting services to gain popularity. E-commerce sites naturally have to find a way in which they provide customers with quick, personalized customer service otherwise customers will stop returning.

In fact, the customer service provided online is becoming one of the big differentiators for several online shops. In other words, online customer service, if it is of exceptional quality, makes the customers become loyal to that store and frequent the site more than the other competitors. Amazon.com is a very popular example in this case. This site or online store was established in the mid 90♦s by a young entrepreneur, Jeff Bezos, today this has become the ultimate success story in e-commerce and many firms followed its path but have not yet reached that level. Amazon started of as a bookstore, but now it is not just a bookstore but also a music store, video store, auction house and also chat room. All this makes it a very comprehensive site and customers are influenced and impressed by the top quality customer service offered by this firm. Regular customers receive annual gifts like coffee mugs and bookmarks and even gift vouchers from Amazon. The competition is very fierce in this market, perhaps even more than in the bricks and mortar retail world, where geography limits the number of players in a market. So how do companies attract consumers to their sites and get them to keep coming back? Some retailers like Amazon have realized that the same strategy that helped many conventional merchants to do well ♦ providing top-notch customer service♦can help them thrive in the virtual market place.

This advice from Pat Reginer (2000) is interesting ♦♦ I advise steering clear of Barnes and Noble♦s used book service (www.bn.com). A spokesperson wouldn♦t discuss pricing specifics, but my comparison shows that B and N inflates prices on books also listed on ABE by about 20% on the priciest books and as much as 110% on less expensive ones. Thus a Chicago bookseller called Bibliodisia sells a pristine first edition of the House of Breath for \$50 on ABE, while the same copy lists for \$72.50 at Band N. Sure, the site can process credit card transactions, but prices like that seem to defy the low-cost logic of online shopping♦. This sums up the importance of price online. Most customers tend to go for online for the sake of convenience and also low prices. Unfortunately, inflated prices and high postage and handling costs are blunting this advantage. Some companies have noticed this and they are trying to reduce the costs. It should be done as early as possible to avoid large-scale customer desertion.

Electronic shopping incorporates many of the same characteristics as real shopping. The marketing

literature identifies attributes that shoppers consider when patronizing a retail store. Based on a compilation from 26 researchers in the field, Lindquist (1974-75) categorized store components into four groups: merchandise, service, promotion and convenience. Arnold et al (1977) extended the convenience attributes to include a fast checkout and the ease of navigating through the store. Recent trends in research have pointed towards electronic shopping. Jarvenpaa and Todd (1977) surveyed consumer reactions to web-based stores using a sample of 220 shoppers. They offer insights about factors known to affect consumer behaviour and suggest ways to improve retail web sites. Spiller and Lohse (1998) surveyed 35 attributes of 137 Internet retail stores to provide a classification of the strategies pursued in web based marketing. Many of the descriptive statistics of retail store features in the Spiller and Lohse study resonate with the consumer reactions noted by Jarvenpaa and Todd. Lohse and Spiller (1998) measured 32 interface features for 28 online retail stores in 1996, August and identified store design features that influence online store traffic and sales. Based on these studies the attributes that influence store traffic and sales can be described.

Merchandise. Consumers infer information about quantity, quality and variety of products from the brand names or reputation of the physical store. Unfortunately not all products available in the merchants' catalogue or real store are available on line (Jarvenpaa, Todd, 1977). This leads to disappointment. Customers prefer a large product selection. However, only 5% of the Internet stores had more than 500 products and 62% had less than 50 products (Spiller, Lohse, 1998). The number of products in a store explains 17% of all variance in a store traffic, but had no effect on sales (Lohse, Spiller, 1998). This implies that big stores are less effective than small stores at converting traffic into sales perhaps because consumers are not finding the products they seek in larger stores. As with paper catalogues, customers cannot interact with the product (i.e. touch and feel). Internet catalogues can offer hyperlinks to more extensive product information such as product testimonials (i.e. Amazon's book reviews) and product demonstration (i.e. software downloads).

Service. Staff responsiveness to the customer service link is critical. The customer wants careful, continuous useful communication across geographic barriers 24 hours a day, 365 days per year. Service includes sales clerk service for merchandise selection, answers to frequently asked questions and credit, return and payment policies. Most retail sites provide very little or no information. Almost one third do not provide any information on the company's history, policies or background, 80% had less than 10 lines of information (Spiller and Lohse, 1998). This is an amazing figure because customers surely want to know whom they are dealing with and to whom they are sending credit card information. This is extremely important for new virtual companies operating only on the Internet. Users are unwilling to tolerate delays associated with delivering audio, animation graphics and video. The flood of consumer's email can create a customer relation's disaster when companies do not respond quickly.

Promotion. Additional store visits and sales are generated by promotion. Each hour of promotion on the electronic shopping mall entrance screen explained 4% of the variance in sales and 1.4% of the variance in store traffic (Lohse, Spiller, 1998). Promotion involves sales, advertising and appetizer features that attract customers. While it is easy to spot the discount signs in the local department store, it is not quite common in an online store. Store promotions include frequent buyer schemes, magazines with product related articles, and glossaries, travel or other product related tips, lottery games, and links to other sites and auctions. Advertising has many forms on the web. Banner ads are small rectangular ads on the top or bottom of a web page that link to target site or product. Spotlight ads at the store entrance feature icons or images that link directly to products. Featured products are analogous to store window displays and aisle products with links to an individual product. Web ads often use animation, scrolling text and other special effects to capture the user's attention. As noted by Nielsen (1996), moving text has an overpowering effect on the human peripheral vision, making it difficult to process information elsewhere on the page.

Convenience. Store layout, organization features, as well as ease of use, all can be categorized under the convenience category. General help functions might assist users in error recovery or find a particular function in the documentation. Convenience features also help manage customer expectations. Stores will be better off if they include the status indicators to avoid losing customers during delay. Only 10% of users scroll beyond the first screen of information on a web page (Nielsen, 1996). Long pages are very difficult to scroll and take longer to load. To help the reader find information, Nielsen recommends that designers be succinct, keep the text short, aid scannability using informative headlines, make judicious use of white space and use multiple levels of headings, highlighting and colour text as visual cues.

Checkout. The checkout process is much more complicated than necessary (Jarvenpaa, Todd, 1977). If

the checkout process is too long, customers balk and sales are lost. This I have experienced personally in many online stores. For example, the checkout process is different for every store. This definitely confuses and also tests the patience of the customers. Universally adopted standards will straight away wipe out this problem. Consumers enter a lot of repetitive information such as name, address and the credit card information. Ideally this could be and should be entered once and then allow the customer to check out once even though purchase are from multiple stores. The most common checkout method uses the shopping cart metaphor (Spiller and Lohse, 1998). At a real department store it is very simple and easy to undo a purchase during checkout. Just the clerk has to be informed that one item is not needed and it is deleted immediately. On the Internet, I have experienced frustration when the undo button for one store (www.tollywoodmusic.com) emptied the entire shopping cart leaving me to start over, which I didn't. Inconsistent menus do not allow customers to review the contents of the shopping cart from any page in the store. Often there is no access to a shopping cart unless a purchase is made. Many order forms do not provide customers with important information such as when the order will be shipped or whether an item is out of stock. For example, to make returns or cancel an order, an order number must often be provided. An email confirmation should provide such information automatically. Order forms should clearly indicate if prices include shipping and handling.

Store Navigation. Product search functions, site maps product indices and the overall site design and organization are the features of store navigation. Such features are essential for larger stores. Very few sites have a site index and a product search function. Shoppers frequently use multiple links to locate a particular store. Additional links from other locations can be viewed as additional store entrances. Hyperlinks aid the discovery of new and useful information and allow users to dwell down into more details as needed. The links should be as context specific as possible (such as the sale of a walkman CD player should have a link to buy batteries). Links reduce the effort of browsing by directing customers to related items. However, links must be active. Nothing will drive away customers like a site full of dead links. Every web page must have consistent navigation links to move around on the site. Not every person will come in the front door! Product searches often link directly to an end product page. If there are no navigation buttons on the end product page, customers will not be able to browse the rest of the store to find other items they might purchase.

The vast sea of information about prices, competitors and features that are readily available on the Internet help buyers see through the costs of products and services. That is bad news for manufacturers and retailers, but there are ways to fight back says Indrajit Sinha (2000). Innovation and flexibility will always help in this fightback. There is a huge amount of euphoria and excitement about the tremendous possibilities and the untapped resources of E-commerce. It is as if the marketers are slurping their lips in anticipation of a huge boom. But, underneath all this there lies a sobering fact. The Internet is by far the biggest threat thus far to a company's ability to brand its products, extract price premiums from buyers and generate high profit margins. Price comparisons have become much easier because of the web. On the Internet it is quite easy and common to have cost transparency. In short, the buyers can see through the costs and determine whether they are in line with the prices being charged.

Cost transparency threatens both retailers and the manufacturers. For retailers, it means customers will have a much better sense of a product's wholesale costs. This has already changed the way the car dealerships operate. It has become quite routine and common (me included) for car buyers to enter the showroom armed with detailed breakdown of whole sale auto prices that have been downloaded for free from any of a dozen web sites. For the manufacturers, cost transparency means consumers will be better able to infer a product's manufacturing costs, making it much harder to impose large price premiums. The most prevalent form of information available on the Internet is about prices. Consumers know that they can often find lower prices for books, CDs, computers and airfares by clicking on-line rather than by standing in line. But they can do much more than compare the prices of Internet store against those of a traditional retailer. They can log on to price-comparison sites like pricescan.com and shopping agents like bottomdollar.com to readily compare the prices and features of more than 100,000 products available on the web (Sinha, 2000). Every time a customer takes advantage of a cheaper price from an online discounter like buy.com or onsale.com, he/she unlearns his/her long held rules of thumb about how price and cost are related for the product he/she just purchased.

Both the buyers and sellers have a natural interest in the cost transparency. Sellers have a natural interest in keeping their cost opaque to the outside world. They want people to accept the notion that their prices are justified, and they spend a lot on advertising to convey the message that their brands offer unique benefits. Nike and Calvin Klein immediately spring to mind, because they successfully

charge premiums on the brand. Buyers on the other hand, have a natural interest in knowing a seller's cost for a product or service for the simple reason that they want to know whether they are being charged a fair price or not. Web based shopping can and will facilitate both these natural interests. Both the buyers and the sellers get and give information that is beneficial for the other party.

Situational factors for web based shopping

Park, Iyer and Smith (1989) conducted research on the situational factors that effect in-store grocery shopping behaviour. They talked about the role of store environment and time available for shopping. They conducted a field experiment to explore the effect of two situational factors, store knowledge and time available for shopping, on consumer grocery shopping behaviour. The results of their study indicated that these two factors definitely have an impact on such shopping behaviour as failure to make the intended purchases, unplanned buying, brand and product class switching and purchase volume deliberations. Their findings also suggest that the information processing activities that mediate these relationships differ across shopping conditions. Using this article as a base I decided to explore the possibility of having situational factor influences on web based shopping.

The two factors—store environment and time available for shopping have high relevance even in the context of web based shopping. As it has been amply explained and established in the previous section, customers online get more impatient than the customers do in a real grocery store. In the real environment if we do not find a particular item that we are looking, we can safely ask the clerk and get directions. But, in the online situation, if we don't find an item then we have to go on to the search or help menus and this tests our patience. Another facet of store environment is in the real world, it means the setting like music, space, climate, convenience etc but in the online store it means ease of operation, speed of transaction, delivery mode and also the layout of the site. In other words store environment becomes site environment online. So the importance in fact, goes up. From personal experience I found that online grocery shopping takes almost the same time if we include the delivery. Nowadays, we can just pick up whatever we have ordered on the Internet. Here online shopping enjoys a huge advantage, at our own leisure time we can order all the items—based on the budget and brand preference, from the convenience of our computer and then pick up at a convenient time or, for that matter get it home delivered for an extra charge. In this case I will strongly advocate that that there will be less brand switching and also failure to make intended purchases remains at the lowest. There might be occasional unplanned buying. Whereas, in a real store setting it is common knowledge that under time pressure, in the absence of a written list, we forget making some intended purchases. As Park, Iyer and Smith (1989) reiterate, to avoid the potential pitfalls of relying on one particular strategy, a coordinated approach to store environment, which considers in store aisle and display configuration, product display arrangements and in-store presentation of information, needs to be taken. This is the same in the case of online design also. That is, arranging the items for sale in such a manner that the consumer can buy based on their previous knowledge and experience of the product transaction. For e.g.: - When I purchase from Amazon, I can tell exactly how long it takes for the transaction to be processed and also I am quite sure about the different products available and added to this the check out is very simple because all my details are already stored with them. As mentioned earlier, some advertisements that keep on flashing and catch our attention will influence us to purchase or at least have a look at an item that we were not really interested in. Amazon does this in a great manner, whenever I enter the site I am greeted personally by my name and am given a list of recommendations that will definitely grab my attention and I am at least tempted to buy one or two of them. Display of substitute products is another issue which is common to both the real and online store i.e. if there is a product that we are looking for in the real store and we do not find it then automatically we try to look for substitutes. The same thing happens in an online store also where immediate substitutes are suggested so that the customer can make his/her choice of the substitutes.

Swinyard (1993) proposes that consumer mood, involvement level and the quality of the shopping experience have significant effects on shopping intentions. He performs a laboratory experiment and obtains results that reveal that mood interacts with involvement and shopping experiences. Involved subjects are found to magnify their evaluations of the shopping experience, subjects in good moods evaluate good experiences still better, and a bad shopping experience appears to cause mood-protection mechanisms to fail. Swinyard concludes by showing that consumer mood is affected by a bad shopping experience. Mood has been described as a phenomenological property of a person's

subjectively perceived affective state (Gardner, 1985). It is viewed as a mild transient (Isen, Clark and Schwartz, 1976; Schellenberg and Blevins, 1973), generalized and pervasive affective state (Isen, 1984), not an intense emotion and not directed at specific target objects (Clark and Isen, 1982). Mood effects the way shopping is done and in many cases a simple shopping experience has the potential to upset the mood of a customer.

Though the above study has been done in a realistic scenario, it can be easily related to the online store also. For e.g.: - In a real store if we found that one of the products we purchased is not satisfactory and up to the mark, then we can return it. While returning it if the sales clerk is polite and courteous then naturally the transaction will not effect the customer's mood or it will improve the mood. In the same manner, I bought a music CD online from a store based in San Jose, CA, USA; they sent me the wrong CD by mistake. I immediately notified them by an email and they were very prompt in replying to me. They informed me that they have already sent the original CD I asked for and I can return the wrong CD whenever it was convenient to me. I waited till I received the other CD, then returned the wrong CD. This transaction made me quite happy and I decided on that day itself I will henceforth purchase any music CDs from that store only. If I was in a bad mood, I would have shot of a very brusque email and probably the relationship would have been upset but, due to the promptness of their reply and the efficiency, I was in a positive mood and this clearly reflected in my future decision.

Just like in the case of the real stores, the consequence of upsetting customers and changing their moods to negative can be large even in an online store. Consumer moods will powerfully influence what they buy and when, whom they shop with, how much they spend, how long they shop. How particular they are when shopping, how carefully they compare products or stores before making a selection, and their intent to repurchase a brand or to re-patronize a store (Swinyard, 1993). All these effects are clearly visible even in an online shopping experience. Many a time consumers start off by just browsing or surfing the net and when something grabs their attention they stop and look at it and even end up purchasing. All this, because they were in a positive mood. In the same manner, some customers go out looking for some sites to make a purchase and, after going to that site their mood gets changed, because of the slow response or limited product range or in most cases unfriendly site design and they immediately come out of the sight probably never to return again. In short, the effect of mood on shopping interactions whether they are web based or real is primarily in interaction with other characteristics.

Engel, Kollart and Blackwell (1969) urged that both individual and situational factors must be considered in order to explain consumer choices. Situation comprises a point in time and space (Belk, 1975). Whenever a customer is making a purchase or a transaction, he or she will be in a situation. According to Belk (1975), physical surroundings, social surroundings, temporal perspective, task definition and antecedent states make up the five groups of features, which characterize a situation. So the physical settings like weather, lighting etc might not have a huge impact on the online store purchases but in the broader sense, the lay out of the web site can be interpreted as a physical surrounding. Coming to the social surroundings, again it is not as pronounced as in the real store because online purchase is more of a one to one transaction that dilutes the impact of social surroundings. Temporal perspective, the time taken to deliver the product or for the transaction, will definitely play a major role in an online transaction. Both task definition and antecedent states (temporary mood) have already been established as having a definite impact on the online purchase behaviour.

Dimensions of Consumer Expertise in Web based shopping

Alba and Hutchinson(1987), proposed that consumer knowledge has two major components: familiarity and expertise. Familiarity is defined as the number of product related experiences that have been accumulated by the consumer. Expertise is defined as the ability to perform product-related tasks successfully. They put forth five distinct aspects or dimensions of expertise ◆ cognitive effort, cognitive structure, analysis, elaboration and memory. How important is expertise in the consumer behaviour? It seems that the answer is quite important. The five qualitatively distinct aspects of expertise can be improved as the product familiarity increases. This study was conducted in the mid 80s and that was almost the pre-Internet era and the 90s saw the boom of Internet. So, naturally the expertise of customers has to be spread over to the Internet also. As the usage of Internet is growing by everyday, it is all but natural that the web based shopping also grows at an equally fast pace. Another important factor that determines the expertise of customers on the Internet is their readiness to use the credit card

online.

It is surprising to note that even today many customers are quite reluctant to give out their credit card details on line, for fear of being misused. Though the advent of secure transactions has drastically reduced these numbers, there is still a good percentage of customers who are reluctant to give out their credit card details. Consumer expertise can be employed in a very broad sense that includes both the cognitive structures (i.e. beliefs about product attributes) and cognitive processes (e.g.:- decision rules for acting on those beliefs) required to perform product-related tasks successfully (Alba and Hutchinson, 1987). As a starting point of this discussion, it has to be noted that as more transactions are done on the Internet, the consumer becomes more familiar with the online shop and also takes lesser time in decision making and purchase in the subsequent transactions. All the five dimensions of consumer expertise can be applied to web based shopping also because the decision process and the customer preferences and choice is more or less the same as in a real store but only the mode of delivery varies.

Performance speeds up with practice, this is a common adage in life and it applies to consumer decision making also. The first time I picked up a shaving set, I spent quite a bit of time deciding on the brand and all the other attributes. I spend less than a minute today picking up my shaving products i.e. the decision process has reduced drastically due to familiarity and practice. In the same manner, the first time any customer purchases on the Internet, it is definitely a slow process. The customer double-checks everything and there is always a lurking fear that one small mistake will cost lots of money. This time comes down to a very normal level, if the customer is doing an online transaction for the 10th time and will almost be negligible if he/she is doing it for the 100th time. In short, the customer is performing the task with minimal effort and without conscious control i.e. automaticity (Bargh, 1984).

In consumer research, cognitive structure has generally referred to the factual knowledge (beliefs) that consumers have about products and the way in which that knowledge is organized (Brucks, 1986). This again is same to the on line situation also because a customer who is shopping on the web already has a set of beliefs and knowledge about the product and he/she is just buying based on that structure. Only the method of purchase has changed definitely, not the cognitive structure. Degree of analysis refers to the extent to which consumer accesses all and only the information that is relevant and/or important for a particular task (Alba, Hutchinson, 1987). The degree of analysis is almost similar between the web based shopping and the real shopping but one big difference is the comparison factor. In the web based shopping, the customers at the click of a button can compare several prices in a very short time period, whereas in real shopping it is quite time and effort consuming. So the degree of analysis will definitely be more extensive for online shopping and definitely the web based customers will be armed with information about the purchase they are about to make than a real store shopper. Elaboration refers to the number of intervening facts that must be computed in order for an inference to be made (Alba, Hutchinson, 1987).

The elaboration process is quite similar in both the online and real shopping but the role of knowledge varies in these two. Knowledge acts as a bridge between information and inference. So, in the Internet situation since the customers will be armed with more knowledge in many cases he/she will have a faster inference about the products and features as compared to the customer who has a relatively limited knowledge about the same product in a real store. Here again time is important, in the sense that the online customer gets the knowledge at a faster pace compared to the real customer. Finally, memory this is constituted of brand name recognition and brand recall. While scanning a supermarket aisle or a computer screen the customer is exposed to the same number of (in most cases) brands. But, online the brands are moving at a slower pace, compared to the quick glance in the aisle. So naturally they tend to stick to in the mind more. But, if the customer is looking out for a specific brand that he/she remembers from past experience, the other brands make hardly any impact in both the cases. Hence, in the case of recognizing the name of a brand and brand recall, both the mediums offer almost similar levels of expertise to the customers.

It is interesting to note that Alba and Hutchinson (1987) argued that different types of experiences lead to the development of different dimensions of consumer expertise and, moreover that the relative importance of each dimension is task specific. Though this was put forth with reference to the real store shopping experience, it can be safely applied to the online shopping experiences also. When a customer is indulging in web based shopping, he/she gains a particular aspect of expertise based on his/her experience of a particular transaction. The dimensions of consumer expertise in web based shopping remain similar to the real shopping to a very large extent. Only the mode and method of transaction varies but the dimensions remain the same.

Propositions

After going through the research and after putting up a reasonably elaborate description and explanation of the web based shopping, I've decided to put forth four propositions regarding the consumer behaviour on web based shopping. Consumer choice often involves a comparison among the available alternative (Dhar, Sherman, 1996). Research indicates that features shared by alternatives are cancelled and greater weight is placed on the unique features in choosing among the alternatives provided. Consumer choice is inherently constructive, due to limited processing capacity, consumers often do not have well-defined preferences but construct them using a variety of strategies contingent on task demands (Bettman, Luce, Payne, 1998). In real store situations, consumers try to cope with the decisions they must make, some of which involve difficult trade off and uncertainties. This acts as the background for the first proposition.

Proposition 1:- Consumer choice process remains the same for both real store shopping and the online shopping.

Language may be one of the barriers that inhibits people from getting into web based shopping. Though most of the e-commerce today is powered by English language usage. There are many sites, which do not use the English language, but still contribute a lot to the electronic shopping. Language barriers are being broken in a sense that many non-English sites use non-English advertising and the customers then give out their orders which will be translated into English and then are processed. The obstacle here is the availability of a reliable translator. But, one argument is that credit card numbers are the same in any language. Now the next issue, credit card usage comes up. US has the highest number of credit card users and also a huge consumer base operating under a single currency, whereas the other countries do not have such a huge pool operating under the same currency. A single national currency is often cited as a major reason why web based shopping has grown faster in the US than in Europe (Nannery, 1998). Unfavourable exchange rates and cash conversion charges by the credit card agencies put off many customers from using their credit cards. This is the background for the second proposition.

Proposition two:- Language and credit card usage act as barriers to the rapid expansion of web based shopping.

Segmentation, targeting and positioning are the foundations on which the marketing success story of any organization is built upon. Segments are small groups within the whole population to which a particular type of product would appeal and hence they are targeted. Customers all across the world who get on to the web based shopping have certain common features. Theodore Levitt's (1983) article 'globalisation of markets' talks about how the markets have been breaking the national and geographic barriers and forming into huge segments. This article set off a huge debate between standardization and adaptation for global markets. The global segment of the web-based shoppers can be classified into one big segment sharing certain distinctive features. This is the third proposition.

Proposition Three:- The whole population of web based shoppers can be classified into one big segment.

However, it is quite inevitable that there will be some cultural differences between web based shoppers. Though they all exhibit the same characteristics like going in for web-based shopping because of convenience, time saving and range available. These shoppers exhibit differences in terms of volume of transactions (i.e. number of items) and also the volume of purchase (i.e. money spent). Based on Hofstede's cultural dimensions (1991), there are bound to be differences in the amount of risk certain country shoppers are willing to take in comparison with the US shopper or even other countries. This is the basis for the final proposition.

Proposition Four:- There are distinct and clear cut cultural differences between web-based shoppers of different countries in terms of volume of purchase and the volume of transactions.

Proposed Data Collection and Analysis

Though this research is at a very exploratory stage at this point, the next logical step would be to collect some data and analyse it based on the propositions put forth. This is one situation for which the undergraduate student sample will be wholly inadequate, for the simple reason that there aren't many 18-20 year olds who can be classified as active or even inactive web-based shoppers. The sample is proposed to be collected from a site personally known to me. The site is www.indiandelicaies.com. This is a site about Indian food and the manner in which it is prepared and in short it is a cooking web site. I agree that there will be some bias in the sample collected from this site but, this will be a good starting block that will help me get some feedback from the people visiting this site. I propose to put up a simple offer in which they have to answer a questionnaire and whoever fills up the questionnaire gets on to free mailing list of this site and they will receive a free new recipe of Indian and Asian food for every week.

Next step after this will be to involve a big company like e-bay that is very successful with its online auctioning. Using my personal contacts, I intend to contact the people at e-bay and request them to give me a profile of their customers and if I can get the emails of these customers, I will mail them the questionnaires and get the responses. The third step will be to use Microsoft's Net Meeting (version 2.11), because this server allows the researchers to investigate people's unrestricted personal ads for themselves and also MNM does not stipulate that the users should follow the terms of services. Secondly, MNM enables people to employ multimedia based tools. So the customers who use this chatting service will come from different walks of the society. Since this is an exploratory study as an initial step a content analysis will be done. In order to explore how people around the world shop on the Internet, all the above three web-sites/servers are employed. It is then followed up with further data analysis.

Implications

Nielsen media research and Commerce Net (Commerce Net, 1999) conducted a research and reported that the Internet population worldwide can be classified into three main groups:- (1) US and Canada (2) Europe and (3) Australasia. This looks like the classification, which is going to emerge even from this study. The implications from this study are wide ranging. Imagine a situation which Julia King (2000) describes. A teenager pulls a packaged dinner from the kitchen freezer, scans it across a counter top web pad and downloads cooking instructions from the food manufacturer. A computer system at the local super market receives an electronic replenishment order for the item and adds the same dinner to the family's weekly order. Yes, this definitely changes the whole pattern of regular marketing. The traditional 4p's will undergo a radical change and the concepts of place and promotion especially will undergo a complete transformation. More and more stores are jumping on to the band wagon of e-commerce not because they want to make a fast buck but because of the simple reason that it is a survival strategy. When customers can perform their shopping from the comforts of their homes, they would naturally prefer that than the drive to the mall, jostling for parking space and waiting at the long check out counters. These changes have far reaching implications not just for the marketers but also for the IT professionals, they have to ensure that they keep in tune with the changing technology and match the ever-growing finicky tastes and preferences of the online customers. Since there is more time at disposal for the online customers, they tend to seek more information and especially in the case of high involvement purchases, they search for intricate details. Even the accounting professionals have to rethink the way they take the costs into account. Distribution costs will change and alter. Due to the advent of the Internet and as a spin off the e-commerce, we hear success stories of overnight millionaires. But, to ensure that the bubble doesn't burst and it grows and stays so for a longer time, it is vital that everyone concerned adapt to the changing situation and never ignore the basic principles of success: innovation, customer service and market savvy.

Conclusion

Twice this century a single master technology has swept its declining cost curve across the economy, creating piles of wealth, scores of growth industries and massive changes in the way business is

conducted. In the first quarter of the century, the technology was electric power. In the last quarter it has been the integrated circuit (Elizabeth Corcoran, 1999). This statement explains in a nutshell, the power of computers and at the same time points out towards the future of this ever growing, rapidly expanding industry. This article tried to explain and evaluate the latest marketing and technological phenomenon called as the web-based shopping. In a very descriptive manner the first half of this work is dedicated to explaining the implications, which are far reaching, and the advent and nuances of online shopping. As mentioned in the introduction of this paper, the entire gamut of consumer behaviour and marketing research has to change and forge a new direction to put this new issue in its proper perspective. Unfortunately, academia has been quite late to start of researching in this issue. It is only now we see that some attempts are being made to fully comprehend the wide spread implications of web-based shopping. The answer for the question; Will the traditional consumer behaviour theory and research be altered? Is a big Yes. The simple pointer towards this is the almost complete redundancy of purchasing journals just due to the simple fact that they are available free of charge on the Internet. It will be quite interesting to observe whether the cross cultural differences between shoppers of different nationalities will remain pronounced for a long period or if they will dissolve and become into one global unit. Though this work might not have made much advance in terms of providing a clear cut pattern of differences between the web based shoppers from different parts of the world, it nevertheless succeeded in striking a fine balance between the consumer behaviour and International marketing view points. In conclusion, the trend of web based shopping is not a flash in the pan but something which is here to stay for the decades to come, it is highly imperative that we marketers take note of this and adapt to this new trend.

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