

Research Report

Evaluating the Consumer Decision Making Process

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Abstract

In today's digital age, most, if not all, businesses rely on consumer data to better understand and cater to their target market. By analyzing their behavior, companies can gain valuable insights into their customers' preferences, desires, and purchasing habits, which can allow them to create custom experiences and build brand loyalty. This report dives into the “world” of consumer behavior, specifically online through e-commerce, exploring the ways in which businesses can manipulate desired behaviors, then leverage this information to optimize their platforms, user interfaces, and marketing strategies.

Overall, the report gives valuable insights into the world of consumer online behavior and the ways businesses can leverage this information to optimize their platforms, user interfaces, and marketing strategies.

Literature Review

A crucial component of conducting research is reviewing other studies since it offers insightful context and viewpoints that can affect how the data collected are analyzed. In order to better understand consumer behavior online and how businesses can utilize this knowledge to improve their platforms, user interfaces, and marketing tactics, we have analyzed and studied a number of sources for this paper. This study focuses on the numerous aspects of online customer behavior, such as perceived risk, website quality, and consumer trust.

1.1 An Analysis of Factors Affecting on Online Shopping Behavior of Consumers

Previous studies have shown that "perceived risks" have a significant role in influencing consumer behavior in e-commerce. These risks include those related to money, goods, convenience, and non-delivery. Regression analysis was used to support findings from a case study on Iranian e-commerce in order to either support or contradict earlier studies, which was the goal of this research.

The results of the research highlighted the degree of influence that financial and non-delivery risks have on individuals' attitudes when making online purchasing decisions. The fear of individuals exposing their credit card information to online hackers, scammers, or fraudulent websites, as well as their nerves about not receiving their orders, contributes to an overall negative perception of online shopping. This is understandable as online shopping has increased rapidly, leading to the development of new forms of risks. Additionally, the study did not find significant effect on attitudes towards online shopping regarding product and convenience risks. This finding contradicts prior research noted in Forsyth and Shi's 2003 study, Biswas's 2004 research, and Sinha's 2010 investigation. This discrepancy may be attributed to a difference in research design and cultural context, as well as the constantly evolving nature of e-commerce.

The study's findings demonstrated the extent to which people's views while making online purchase decisions are influenced by financial and non-delivery concerns. A common misperception of online shopping can be influenced by consumers' worries about giving out their

credit card information to internet thieves, scammers, shady websites, as well as their concern over not receiving their items.

Overall, the research sheds light on the multiple factors that may influence a customer's attitude towards online shopping, especially perceived risks, domain-specific writing, and subjective norms. Understanding these facets is crucial for an e-commerce business to develop efficient strategies that dispel perceived risks and promote positive attitudes towards online shopping.

1.2 Perceived Risk Factors Affecting Consumers' Online Shopping Behaviour

The purpose of this study aimed to look into how multiple different risk factors could affect Malaysian internet shoppers' behavior. A self-administered survey of 245 Malaysian online shoppers was undertaken to meet this goal. Risks related to finances, convenience, non-delivery, return policies, and products were heavily considered during the study and served as essential indicators of the elements influencing online purchasing decisions. To evaluate the survey's reliability and validity, confirmatory factor analysis, regression analysis, and structural equation modeling were used.

The results showed that the six survey variables scored highly, ranging from 0.806 to 0.942, demonstrating the excellent reliability and validity of the data. The study's design and the data gathered were considered appropriate for analysis with an 81.67% response rate.

The study found that financial and convenience risks were the most significant concerns for Malaysian online consumers, and often impacted their purchasing decisions. However, product

and return policy risks had a lesser influence than assumed. These results also highlighted the importance online shoppers' of trust, which played a critical role in navigating consumers' perceived risks and enhancing their confidence in online shopping.

Overall, this study provides valuable insights into the factors influencing the behavior of Malaysian online consumers and emphasizes the significance of addressing their concerns to promote positive attitudes towards online shopping. By placing measures to mitigate perceived risks and promoting trust in online shopping, e-commerce businesses and policymakers can improve the acceptance of e-commerce and enhance the overall consumer experience.

1.3 Online Shopping Behavior

In this study, 100 people in Sweden were given a survey to fill out in order to help the evaluation the behavior of e-commerce shoppers. Data collection methods including non-probability sampling and concrete convenience sampling were used to examine the effects of a number of variables, including financial risks, product performance, delivery, trust and security, and website design. The findings showed that product performance and website design were the two most important variables influencing consumers' online shopping decisions. However, it was discovered that the effect of financial and delivery risks on purchasing decisions was minimal.

The Likert scale was used to examine the empirical data, making it easier to communicate the study's conclusions. The format of the study allowed the researchers to learn more about the variables which affect Swedish consumers' online buying behavior.

In summary, this study sheds some light on the importance of website design and product performance on online shoppers' behaviors. By prioritizing these factors and addressing the concerns associated with financial and delivery risks, e-commerce businesses and policymakers can improve customer satisfaction, experience, and retention.

1.4 Factors Determining Consumer Buying Behaviour In Online Shopping

In this study, Multiple Regression Analysis and Reliability Analysis were utilized to gain insight into the variables that influence online buying behavior from 350 participants, all Malaysian citizens aged 18 and higher. These two quantitative methods were adopted in order to make the findings comparable to earlier research and to offer a more objective strategy for companies wanting to better accommodate e-commerce behaviors. Online shopping behavior was employed as the dependent variable in this study, which was run through the SPSS analysis tool along with perceived advantages, perceived hazards, and psychological aspects. The study found that perceived benefits and psychological considerations had the most weight when influencing online purchasing decisions.

1.5 Consumer Online Shopping A Consumer Online Shopping Attitudes Assessment Of Research

35 separate empirical papers from 9 major information systems journals and 3 volumes of conference proceedings were analyzed for this study. They identified the external environment, demographics, personal traits, vendor/service/product characteristics, and website quality/user interface as the independent variables. The expressed dependent variables included consumer happiness, attitude toward online shopping, intention to shop online, and decision-making. Through this analysis, the study was able to identify a taxonomy of factors that affect consumers' attitudes toward and behaviors when they shop online. As a result of these reciprocal influences, the study discovered that there is a "two-way" relationship between satisfaction, attitude, intention, decision-making, and online purchasing.

Conclusion and Recommendations

The case study provides valuable and important insights into how previous research data will play a significant role in decision-making when creating marketing campaigns for the rapidly evolving online shopping landscape. From the study, the recommendation has been made to pay close attention to the demographics of the target market for the company in question, as it reveals key information to potential business decisions. Furthermore, the website design should be aesthetically pleasing, easy to navigate, and visually appealing to the target audience. This, again, will vary depending on the target audience of the company. The product's performance and usability should be thoroughly tested to ensure that customers receive a high-quality product that meets their expectations. In addition, the study recommends that marketers use social media platforms to reach out to their target audience and create engaging content that resonates with their interests and preferences.

Overall, the case study emphasizes the importance of knowing the demographics of the target audience and then knowing how to incorporate that information alongside prior research data into the decision-making process when creating marketing campaigns. This report could be used as well. By adopting a proactive approach to address the risks identified throughout the literature review, marketers can significantly impact the website's performance and increase overall customer satisfaction, ultimately leading to higher sales and brand loyalty.

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