What Factors Facilitate Online Buying?

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**Abstract**

Internet usage continues to grow at an exponential rate, and it is essential for the companies to have an online presence in order to remain competitive in the dynamic environment. It is imperative for the companies, to investigate and understand the factors that influence the decision to purchase online, in order to maximize the effectiveness of their marketing efforts. The objective of this paper is to explore the various factors that influence the decision of the customers to shop online.

The Internet is revolutionizing marketing and trade. As the Internet is essentially a global medium, it is one of the most significant and the greatest marketing tools for the global marketplace (Samiee, 1998; Park and Jun, 2003). The majority of research on perceived risk is focused on traditional purchasing situations. Internet shopping is much different than shopping in stores, the developed Internet shopping technologies are essentially self-serve technologies that offer the benefits of round-the-clock convenience, ubiquitous availability, time and money savings, and a reduction in the anxiety caused by judgmental service representatives (Bitner, 2001; Meuter et al., 2000; Cunningham, et al., 2005). Due to the growth and potential of on-line shopping and the lack of academic-based research on Internet-related consumer behaviour (Lewis, 1995; Rao, 1996), there is a tremendous need for impartial, academic investigation into the behaviour and perceptions of on-line consumers.

Researchers (Vijayasarathy and Jones, 2000) found perceived risk to be a significant factor affecting consumer behaviour. Liebermann and Stashevsky (2002) and Forsythe and Shi (2003) provide evidence to support a relationship between perceived risk and frequency of use. Perceived risk is likely to have the greatest impact on sporadic Internet shoppers, which precludes the conversion of Internet browsers into Internet shoppers (Forsythe and Shi, 2003; Cunningham, et al., 2005). Risk perceptions and lack of trust have been identified as two major obstacles to the adoption of online shopping. However, there is paucity of research that investigates the complex relationships among these variables (Chang, 2003).

This paper makes a contribution to the existing literature, by further extending findings from previous studies and suggesting a model portraying the relationship between customers’ characteristics, brand familiarity, customers’ perceived risk, trust, perception of security, and the decision to shop online. In addition, it highlights the importance to pursue further research into this topic. Future studies will help to facilitate communication to online commerce websites, particular aspects of the shopping experience that will convince consumers’ of their credibility and safety.