

# IDENTIFICATION OF PRE TRANSACTION PHASE COMPONENTS THAT INFLUENCE CUSTOMER'S ONLINE SHOPPING BEHAVIOUR

**ANJUL**

Research Scholar, Karpagam Academy of Higher Education (Deemed to be University), Coimbatore, India.  
Email: anjul2008@gmail.com

**Dr. V. SANGEETHA**

Research Guide, Karpagam Academy of Higher Education (Deemed to be University), Coimbatore, India.  
Email: drsangeetha.v@kahedu.edu.in

## Abstract

As the usage of internet for shopping is increasing day by day, the online marketing companies are trying to attract their customers to perform online shopping. Many studies are going on to identify the factors that influence customers to do online shopping. These studies will help the E-Commerce companies to understand customer behavior and to identify the factors the customers are prioritizing in online shopping. This paper concentrates on some of the Pre-transaction phase customer service factors like Customer Service Policy, Website/App Accessibility, Product Variety, Price, Payment Methods, Availability and Flexibility of Product Delivery, and influence of these factors in online shopping behavior of customers.

**Keywords:** Online Shopping, E-Commerce, Customer Service Policy, Website, Pre-Transaction Phase

## I. INTRODUCTION

The growth of internet and advancements in technologies has made a new revolution in shopping. Most people are now preferring online shopping because of the advantages it offers to them. The key advantages of online shopping are.

- Convenience
- Reduce time and effort.
- Get more discounts.

There are many factors which influence consumers to do online shopping. Researchers are trying to identify the driving factors that influence the customers to prefer online shopping.

## II. CUSTOMER SERVICE

Customer service mainly includes the time and place utility to transfer goods or services between the seller and the purchaser [21]. Different companies will have different views about the term Customer Service. Many studies have been carried out on Customer Service. According to LaLonde and Zinszer [1976], customer service is further classified into three components.

### III. COMPONENTS OF CUSTOMER SERVICE

The profitability of a business is directly proportional to customer service. Customer Service can be divided into 3 components [20].

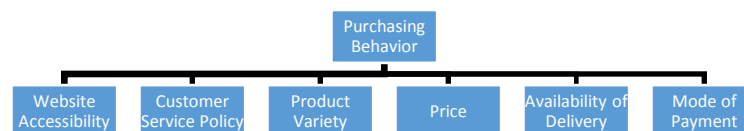
1. Pre-Transaction
2. Transaction
3. Post-Transaction

Here Pre -Transaction components represent the features that first encourage the customers to shop online. Transaction Phase components fulfill the demands of Customer and Post Transaction phase components will foster the customer loyalty or make them switch to other shop or customer may abandon entire online shopping [20].

Customer Service Phases	Components
Pre-Transaction	Website/App Accessibility Customer Service Policy Product Variety Prices Payment Methods Flexibility of Product Delivery
Transaction	Order Fill Rate Lead Time Payment Price for delivery service
Post-Transaction	Order Status Information Order Fulfillment Percentage of spoiled/damaged products Responsiveness

**Table 1: Components of Customer Service [20]**

In this paper a study has been made to identify the importance of Pre-Transaction phase components like Website or app, Customer Service Policy, Product variety, Payment Methods, Price, Availability and Flexibility of Product Delivery and its influence in accessibility to the in online shopping.



**Fig 1: Factors influencing Online Shopping**

### **A. Accessibility to Website /App**

COVID 19 pandemic situation has made a drastic change in the behavior of online consumers. Various studies are being carried out to identify the influence of the quality of websites on Customer Satisfaction, the influence of Customer satisfaction on Purchase intention and influence of Website Quality on purchase intention. Website accessibility refers to whether the customers can see and understand the information about the shop and products on the website, and whether the customers can easily navigate through the website.

Au Yeung and Law (2004), Chung and Law (2003), Law and Hsu (2005) have started the studies to measure how much importance is given to website quality. Their research has been considered two major website constructs namely usability and website functionality. Here functionality refers to the website contents including richness of information and usability denotes the design issues including ease of use [5].

Based on previous studies, it has been identified that there exists a direct relationship between accessibility of website on e-loyalty, trust, and satisfaction of customers [2]. The term Website accessibility aims optimizing the website in terms of functionality, design and browsing experience. These factors will promote the online shopping behavior of customers.

### **B. Customer Service Policy**

Customer Service can be defined as a group of activities utilized by the company to attract and retain their customers [32]. Usually these activities are performed before, during or after conducting the transaction [33]. The Customer Service Policy includes the guidelines and principles that the company follows to provide a good service to customers. One advantage of this policy is that this will inspire customer loyalty. Different studies have been conducted to identify the impact of E-service quality on Customer Satisfaction, Customer Trust, and Customer Behavior in Online Shopping. Some of the studies are creating e-service quality models to predict the behavior of customers [8]. According to the research it has been identified that customer service has an influence on customer satisfaction and customer loyalty [2].

### **C. Product Variety**

The term Product indicates a service or an item that is produced/offered by a manufacturer / distributor [11]. Product variety refers to the availability of items that the company offers. Usually, product variety is considered as one of the factors to measure the company's competitiveness [9]. The products are purchased by the customers after performing a series of comparison based on price, design, reliability [10]. Therefore it will be better for a company to provide a diverse choices of products to their customers[12]. As variety of choices the customer gets, the more trust ,satisfaction the customer will be and thus the revenue of the company can be increased[13]. The studies have been identified that the product variety is a vital element which inspire the customers to do online shopping.

### **D. Price**

Kotler and Armstrong (2006) have defined price as the value of money that needs to be exchanged to buy product or service [23]. In other words, price can be defined as the value

assigned for a product or service in customer's mind [24]. Many professional literatures have identified that pricing is one of the most prominent factors that has an impact on customer satisfaction. People assess the product and service based on their price value[25][26][27].According them price is what they gave up in order to purchase the product[15] Many studies have identified that customer intention for online repurchase in is influenced by the price rate [3] and pricing is significantly related to user satisfaction[16].The customer's perception on usability is influenced by the pricing of products[17].One of the option the customer get is that through online shopping the online stores provide facilities to compare the product prices with different website, provide great deals to them at lower price which attract them to purchase online [28]

### **E. Payment Methods**

The term payment refers to the transferring of money from one party to another [14]. A variety of payment methods are now available in online shopping. Debit/Credit card payment Bank transfers, Cash on Delivery (COD), PayPal, Google Pay, Amazon Pay, Apple Pay, and Western Union are some of the popular methods. Mobile payment has become a trend now, which uses smartphone, iPad, laptop computers-based technology to perform payment.

Many studies based on the payment methods have been conducted to identify how much influence the method has over the customers to do online shopping. The results of studies concluded that most of the digital transaction facilities have opened a door the customers to do online shopping. The fact that influences them to do digital payment is that most of the payment methods offer 24x7 services, secure online transactions and save the buyer's time. The COVID 19 pandemic situation made it possible to promote and explore this change.

### **F. Delivery Methods**

Research has identified that product delivery service is a criterion for satisfaction of customers [29]. This indicates that customers prefer to receive their ordered product well packed, with the specified price and quality and with a provision to deliver the item in accordance with the user specified place and time [30]. The Online retailers are offering different delivery options for their clients considering different delivery attributes. Examples of delivery attributes include delivery date, delivery fee, speed of delivery, the timeslot, daytime, or evening etc. Various research has been conducted based on mental accounting theory to identify the relationship between money, time, convenience, and delivery options. The result of conjoint analysis has concluded that the most important factors that the customer preferred are delivery fee which followed by non-price delivery attributes [18]. To maximize customer satisfaction, and expectation, many retailers are offering different effective strategies for delivery options [31].

Factors Considered	Meaning	Advantage
Website/App Accessibility	Availability of shop and Product Information in Website easy to see, understand, Easy to navigate website	E-loyalty, Trust, Customer Satisfaction
Customer Service Policy	Guidelines, Principle the Company follows to provide good customer service	Inspire Customer Loyalty

Product Variety	Availability of Items,	Trust, Satisfaction for Customers, Improve Company revenue
Prices	Reduced Price	Customer Satisfaction, Tendency to repurchase
Payment Methods	Payment Methods offered	Convenience to Customer
Availability and Flexibility of Product Delivery	Product delivery on user specified time, place maintain the quality of product	Maximize Customer Satisfaction and their expectation

**Table 2: Advantages of Pre-Transition Phase Components**

#### IV. CONCLUSION

Consumer satisfaction and online shopping decision of customers are directly dependent on many factors. Identification of factors that influence customers for shopping online is one of the most popular research areas nowadays. These findings will help the E commerce companies to understand the behavior of their clients. Different studies have considered different factors. In this paper some of the pre-transaction phase factors that influence online shopping behavior of customers were considered.

#### References

1. Sangkyu Park , Dongwon Lee , ‘An empirical study on consumer online shopping channel choice behavior in omni-channel environment’, Telematics and Informatics, Volume 34, Issue 8, December 2017, Pages 1398-1407
2. Carmen Adina Pastiu , Ionica Oncioiu ,Daniel Adrian Gârdan, Silvia Stefania Maican , Iuliana Petronela Gârdan and Andreea Cipriana Muntean,’ The Perspective of E-Business Sustainability and Website Accessibility of Online Stores’, Sustainability 2020, 12, 9780
3. Shahzad Ahmad Khan, Yan Liang, Sumaira Shahzad,’ An Empirical Study of Perceived Factors Affecting Customer Satisfaction to Re-Purchase Intention in Online Stores in China’, Journal of Service Science and Management Vol.08 No.03(2015)
4. M. Tantowi Jauhari Andriani Kusumawati Inggang Perwangsa Nuralam,’ THE IMPACT OF WEBSITE QUALITY ON CONSUMER SATISFACTION AND PURCHASE INTENTION’, Jurnal Administrasi Bisnis (JAB)|Vol. 67, February 2019
5. Billy Bai, Rob Law, Ivan Wen,’ The impact of website quality on customer satisfaction and purchase intentions: Evidence from Chinese online visitors’, International Journal of Hospitality Management, Volume 27, Issue 3, September 2008, Pages 391-402
6. Jasur Hasanov, Haliyana Khalid ,’ The Impact of Website Quality on Online Purchase Intention of Organic Food in Malaysia: A WebQual Model Approach’, Procedia Computer Science, Volume 72, 2015, Pages 382-389
7. Wei Gao,Xue Li,’ Building presence in an online shopping website: the role of website quality’, Behaviour & Information Technology ,Volume 38, 2019 - Issue 1
8. Paulo Rita, Tiago Oliveira, Almira Farisa ,’ The impact of e-service quality and customer satisfaction on customer behavior in online shopping’, Heliyon Volume 5, Issue 10, October 2019

9. Sarah S. Al Hamli, Prof. Dr. Abu Elnasr Sobaih, 'Factors Influencing Consumer Behavior towards Online Shopping in Saudi Arabia Amid COVID-19: Implications for E-Businesses Post Pandemic', J. Risk Financial Manag. 2023
10. Kotler, Philip, and Gary Armstrong. 2016. Principles of Marketing, International Edition. Englewood Cliffs: Prenticehall. Inc
11. Park, T., K. Velicheti, and Young Kim. 2005. The Impact of Product Variety on Retailing Operations in the Supply Chain. California Journal of Operations Management
12. Pangaribuan, Christian Haposan, Muhammad Yandi, and Muhril Ardiansyah. 2019. Analyzing the effects of product quality, packaging, promotional offer, availability, and variety toward brand loyalty of "Mie Sedaap". Journal of Business and Entrepreneurship 6: 1–14
13. Oertel, Christian. 2020. Vertical Contracting, Product Variety, and Innovation. Ph.D. dissertation, University of Zurich, Zürich, Switzerland.
14. Boel, Paola. 2019. Payment systems–history and challenges. Sveriges Riksbank Economic Review 1: 51–66
15. V. Zeithaml, Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence, Journal of Marketing, vol. 52, no. 3, pp. 2-22, 1988
16. P. Jiang and B. Rosenbloom, Customer intention to return online: Price perception, attribute-level performance, and satisfaction unfolding over time, European Journal of Marketing, vol. 39, no. 1/2, pp. 150-174, 2005.
17. H. W. Kim, Y. Xu and S. Gupta, 'Which is more important in Internet shopping, perceived price or trust?', Electronic Commerce Research and Applications, vol. 11, no. 3, pp. 241-252, 2012.
18. Dung H. Nguyen, Sander de Leeuw, Wout Dullaert, Bram P. J. Foubert,, 'What Is the Right Delivery Option for You? Consumer Preferences for Delivery Attributes in Online Retailing', Journal of Business Logistics, Volume 40, Issue 4, May 2019.
19. Xu, Yin; Huang, Jin-Song, 'Effects of Price Discounts and Bonus Packs on Online Impulse Buying', Social Behavior and Personality: an international journal, Scientific Journal Publishers, Volume 42, Number 8, 2014, pp. 1293-1302
20. David Jos'e Ahouagi Vaz de Magalhaes, 'Analysis of critical factors affecting the final decision-making for online grocery shopping', Research in Transportation Economics, Elsevier, vol. 87(C)
21. Martin Christopher, 'The Strategy of Customer Service', The Service Industries Journal, 4:3, 205-213
22. Dr. Emel Kursunluoglu, 'Customer Service Effects on Customer Satisfaction and Customer Loyalty: A Field Research in Shopping Centers in Izmir City – Turkey', International Journal of Business and Social Science, Vol. 2 No. 17
23. Saling, Basri Modding, Baharuddin Semmaila, Achmad Gani. Effect of Service Quality and Marketing Stimuli on Customer Satisfaction: The Mediating Role of Purchasing Decisions. Journal of Business and Management Sciences. 2016; 4(4):76-81.
24. Goldianus Solangius Mbeté, Rinabi Tanamal, 'Effect of Easiness, Service Quality, Price, Trust of Quality of Information, and Brand Image of Consumer Purchase Decision on Shopee Online Purchase', Jurnal Informatika Universitas Pamulang Penerbit: Program Studi Teknik Informatika Universitas Pamulang Vol. 5, No. 2, Juni 2020 (100-110)
25. J. J. Cronin Jr., M. K. Brady and G. T. M. Hult, Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments, Journal of Retailing, vol. 76, no. 2, pp. 193-218, 2000.

26. C. Fornell, A national customer satisfaction barometer: The Swedish experience, *Journal of Marketing*, vol. 56, no. 1, pp. 6-21, 1992
27. V. Zeithaml, Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence, *Journal of Marketing*, vol. 52, no. 3, pp. 2-22, 1988.
28. Nebojša Vasić, Milorad Kilibarda, Tanja Kaurin 'The Influence of Online Shopping Determinants on Customer Satisfaction in the Serbian Market, *Journal of Theoretical and Applied Electronic Commerce Research* ISSN 0718-1876 Electronic Version VOL 14 / ISSUE 2 / MAY 2019 / 70-89
29. W. Ulaga, Capturing value creation in business relationships: A customer perspective. *Industrial Marketing Management*, vol. 32, no. 8, pp. 677-693, 2003
30. P.G. Patterson, Expectations, and product performance as determinants of satisfaction for a high-involvement purchase, *Psychology and Marketing*, vol. 10, no. 5, pp. 449-465, 1993.
31. M. Wolfenbarger and M. C. Gilly, eTailQ: dimensionalizing, measuring and predicting etail quality, *Journal of Retailing*, vol. 79, no. 3, pp. 183-198, 2003.
32. Myroslaw J. Kyj, 'Customer Service as a Competitive Tool', *Industrial Marketing*
33. *Management* 16, 225-230 (1987) © Elsevier Science Publishing Co., Inc., 1987
34. Lalonde, Bernard J., and Zinszer, Paul H., *Customer Service: Meaning and Measurement*. National Council of Physical Distribution Management, Chicago, 1976, p. 159