Virtual Shopping and Impulse Purchasing

Strengths and Weaknesses in Pakistan

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Abstract

This research analyzed the perceptive of consumers doing online shopping and impulse purchasing. This study examined the behavior of thirty consumers who were asked to fill the questionnaire based on some close ended questions. The focus of this investigation was to discuss the strengths and Weaknesses of online shopping and impulse purchasing in developing country like Pakistan. Today consumers choose and buy things while sitting at home through internet and buy things impulsively. Do consumer in Pakistan are using Internet for shopping online? Do they make more impulse purchase on the Internet? Does online shopping save time? Do online shopping is more attractive or consumer feels lack of trust? Impacts of advertising are also discussed. We covered the virtual shopping weakness and strengths in our VSIPSWP (Virtual Shopping and Impulse Purchasing Strengths and Weaknesses in Pakistan) Models.

Keywords: - VSIPSWP (Virtual Shopping and Impulse Purchasing Strengths and Weaknesses in Pakistan), Consumer behavior, Internet etc.

1. Introduction

The revolution is continuing in the whole world. Consumers are looking towards the easiest way of shopping through Internet.

"The internet has become an ubiquitous medium both in the work place and at home, and so using the Internet as a retailing channel has become a reality" (Tsai Chen, 2008). Sellers are moving their products online and waiting for their pot of gold that the internet promises (Jacqueline J. Kacen, 2003) "Headlines in The Wall Street Journal proclaim that "Tesco's Internet Home-Delivery Unit Discovers Success All Across Britain (Hall 2002)."

In modern era the people are attracting towards the computer which is beneficial for us. It saves our time and money. We can get things without going into the market because of Internet facility. We can get complete information about any product which we required with the help of Internet.

"Marketing week (2001) announced that "UK Grocery Retailers Lead the way Online." " "As forecast by Forrester Research, online retailing is likely to reach US $329 billion by 2010 and account for 13 percent of total retail sales in the United States" In Taiwan, for example, of the 65% of the population who have accessed the Internet, almost half of these web users have some experience shopping online. (Tsai Chen, 2008)

In fact some people are not in the favor of online shopping and impulse buying. In their point of view online shopping is fake. Because they think that they do not personally check the features of that product which they bought. And impulse buying makes your budget out of control.

"Home Runs.com is the Latest Failure Among Online Grocery Companies," (Wall Street Journal 2001)"By limiting shoppers to representational contact with their offerings, do online retailers miss out on a "whole world of no-will-power buying" " (Brown 1999)"Impulse buying tendency as a personality trait varied among people and will influence their degree of actual impulse buying behavior." (Tsai Chen, 2008)

Now days a young generation are more involved in computer so they prefer buy things online. In developed countries like USA, UK, Canada, online shopping is very common as compared to developing country like Pakistan.

In this research first of all we understand the trend of online shopping in developing country like Pakistan then further elaborates the actual meanings and definitions of online shopping and impulse buying. How much the trend of online shopping is increased in developing country like Pakistan? And how much extent the people are involved in impulse buying?

2. Literature Review

The past decade has seen a dramatic increase in online shopping and impulse buying. Related to the topic there are different encouraging and discouraging factors that have been observed. Haubl and Trifts, (2000) proposed that online shopping is a computer activity/exchange, performed by a consumer via computer-based interface, where consumer's computer connects to and interacts with retailer's digital storefront through a network. This medium of exchange creates the free market with intense competition. According to Huizingh and

Hoekstra, (2003) the consumers who spend more time online increases their likelihood of revisiting a website or becoming customer by buying a product. He also states that consumers have more control in online shopping so, there needs and preferences should be in mind when starting an online business.

Consumer researches have for decades struggled to find a better definition of impulse purchase. Impulse purchase involves "a sudden a spontaneous desire to act". (Tsai Chen, 2008)

Many factors may influence the impulse buying behavior. In addition to the value of the products, consumer attitude or emotional desire, the shopping they want to do in the available time and money would all affect impulse buying behavior. (Tsai Chen, 2008)

Changchit, Douthit, and Hoffmeyer (2005) conducted a study related to online shopping and found some interesting factors about which things influence online shoppers when they make decision to purchase from a website, to purchase more or less, or to give feedback to the website. They discussed that the success of online business depends heavily on their ability to attract and retain customers .The customers are able to better use their time, compare prices and to get any information through internet. With the number of hosts on the Internet having grown from 1.7 million in 1993 to 110.0 million in 2001 (Ruthkowski, 2000). The online business plays a major role in the world's economy and is expected to continue in the future. The interesting factor is that the product picture scored the highest in attracting the customer to visit the website. Actually the need to see the picture of the product is not important as to save money. The consumer's response more is too shipping free, tax saving. And discount offering websites than those which offers return policy and the views of the product.

One of the big advantages is decrease in our findings expenses for products and product related information (Lynch & Ariely, 2000). Full information can provide on internet that may increase the trend of online shopping (Novak. Hoffman, & Yung, 2000). "Successful online shopping will occur if it meets consumer, wants and needs" (Gammack & Hodkinson, 2003).

Complete and relevant information have been proposed to link customer satisfaction with the help of Internet (Muylle, Moenaert, & Despontin, 1999). Online businesses have to full confidant on

extraordinary customer service to be competitive (Lennon & Harris, 2002).

"Larose and Eastin (2002) showed that deficient self-regulation was related to online shopping activity, whereas neither compulsive nor impulsive buying tendencies were significantly correlated with online shopping activity."
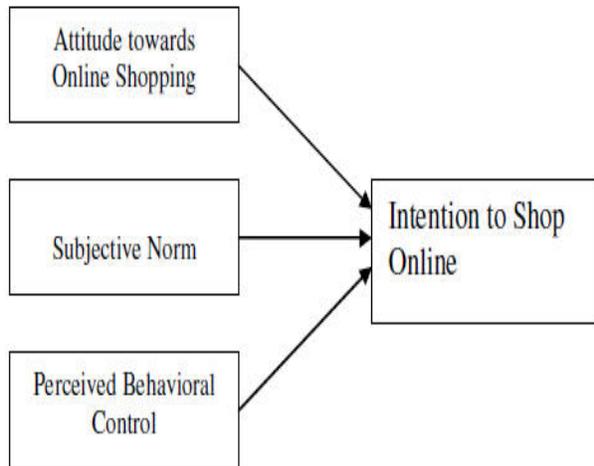

Figure 1 Research Model [26]

According to Mowen and Minor, (1998) impulse buying is an uncontrollable reaction, a desire to obtain and possess. Some external factors influence impulse buying such as economy, personality, time, location and culture (Stern, 1962).

As a result of analyzing the literature on impulse buying for features of internet as a shopping environment were identified that encourage impulse buying- anonymity, easy access, variety of goods, marketing promotions and direct marketing. Online shopping offers customers their privacy to shop. Without any embarrassment like there are some products which people hesitate to buy offline with this factor they are encouraged impulsively through online shopping. (Nina koski 2004).

Physical arrangement of products increases the buying level i.e. brighter colors, point of purchase

display, placing product with companion items. The thing leads to the classifying of products that are

impulse item and can be purchased impulsively. (Dennis W.rook Stephen j.hoch 1985).

Through internet the consumers can easily access the product that they want to buy because if shopping offline, there is a lot of time wastage and money wastage. On the web they can easily access anywhere in the world, when they feel to shop (Burton 2002,804 koufaris)

Impulse buying increases when there are offers for sale or when promotion of the product is being done. When online advertisement of product is offered people respond to advertisement by purchasing more and more products as well as direct marketing massages. (Nina koski, 2004).

(Bellenger Robertson & Hirschman 1977) found that almost 40% of consumer's department store purchases fell into the impulse category, ranging from 27% to 62 % of all purchases for each line. There are a few product line that were unaffected by impulse buying.

Jacqueline, (2003) argues that internet offer consumers a greater accessibility to products, and a large collection of items but it is unclear that these alternatives are able to actuate consumer impulse purchases without the benefit of three-dimensional, multi-sensory promotional activities. Consumers buy more new products when they buy impulsively than from prior planning (Sfiligoj, 1996). Rook, (1987) states that Impulse purchasing behavior occurs" when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately". Impulse buying does not involve the fulfillment of a specific buying task or prior intentions to buy product (Beatty and Ferrell, 1998).
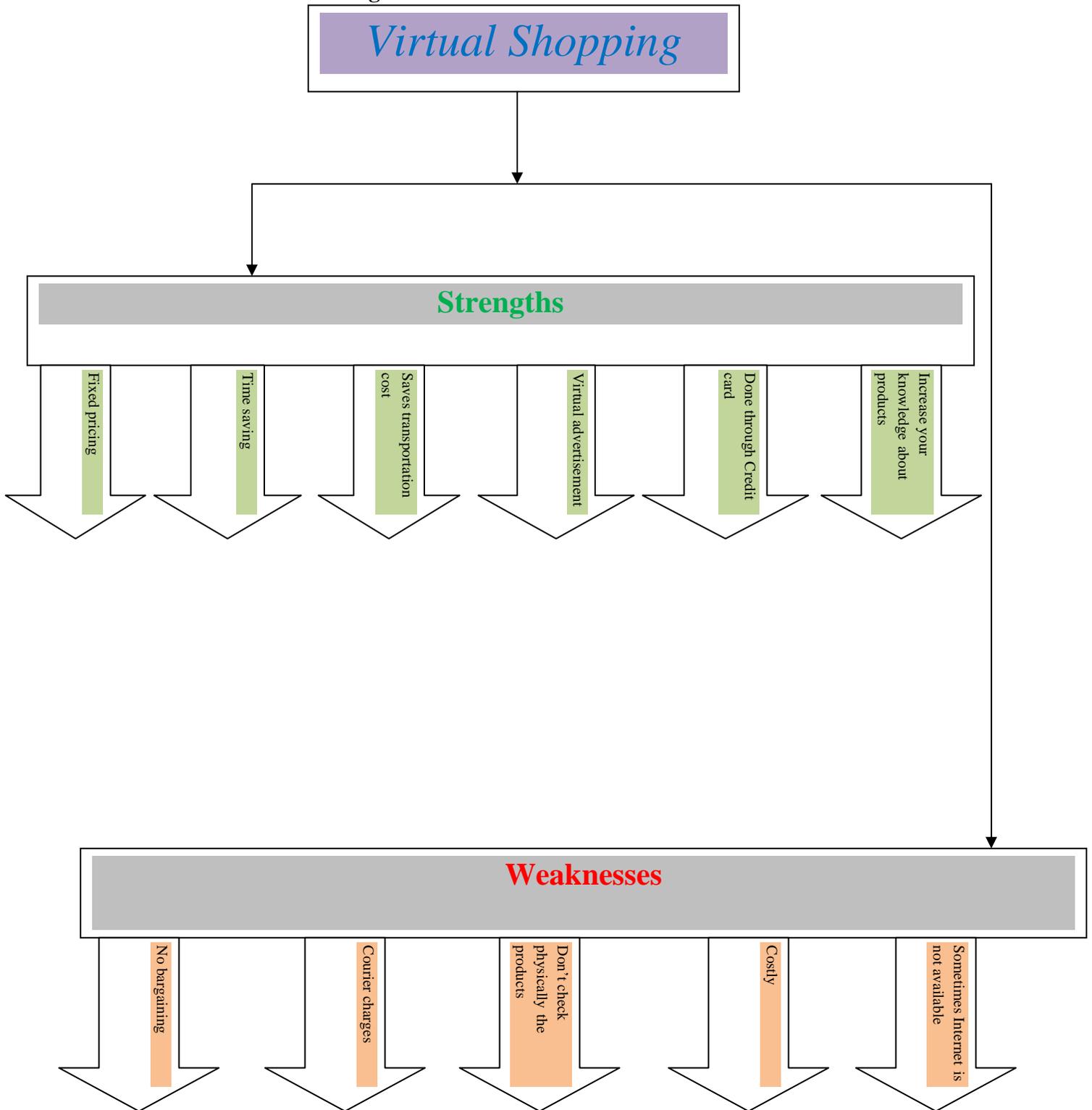
3. Research Methodologies

Figure 2 VSIPSWP Model 1

We are discussing some of the Strengths and Weaknesses of Virtual shopping in Figure 2. Here some of the Strengths and Weaknesses mentioned below:

2.1 Strengths

2.1.1 Fixed pricing

One of the strongest point is prices are fixed in Virtual shopping for everyone. Everyone supposed to buy on a fixed price not a single one can influence this factor.

2.1.2 Time Saving

You cannot personally go over there to purchase the products. Therefore Virtual shopping saves time in sense of your valuable time. Sometimes you are going outside for shopping but you don't like the products you are actually want. If you do shopping through internet you can check configurations of the products and will save your time.

2.1.3 Saves Transportation Cost

With the help of Internet you can do shopping easily. E.g. you can purchase any product outside your country. If you are personally go over there and buying things this increases your transportation cost and wastage of your time.

2.1.4 Virtual Advertisement

If you are using the Internet you can see different advertisements blinking on the different websites. Actually this is one of the marketing tools to attract the customers to buy things online.

2.1.5 Done through Credit Card

If you do shopping online you can pay with the help of Credit Card. Actually Credit Card an easy way to pay for the products. If you pay through cash sometimes it is unsecure and more time consuming.

2.1.6 Increase your knowledge about products

You can get complete information about the products with the help of Internet. E.g. If you are buying a car through online you can check the complete configurations and variations in this model.

2.2 Weaknesses

We are discussing weaknesses with the reference of Pakistan in figure 1.

2.2.1 No Bargaining

In Pakistan mostly people buy things personally and trend of Virtual shopping is low as compared to developing countries like (USA, Canada, UK, France, China etc). People think that they are pay less for the products as compared to when shopping online. According to our survey we see that in Pakistan Virtual shopping is not common.

2.2.2 Courier Charges

The point of view of Pakistani consumers is that sometimes the delivery of the products might be late. If they reached at proper time the courier charges is very high to pay.

2.2.3 Don't Check Physically the Products

If you buying the products online you can see the full configurations and variations of the products but you cannot check it personally. Pakistani people think that if you buy things online sometimes the visual of the products don't match the reality.

2.2.4 Wastage of Money

The point view of young generation is totally different from the old generation. The young generations are mostly prefer Virtual shopping but old generation think that if you buy things online you cannot check and balance of your budget.

2.2.5 Sometimes Internet Facility is not available

In Pakistan Virtual shopping rate is low because sometimes internet facility is not available at all locations. Therefore the people rely less on virtual shopping and they prefer to buy things physically.
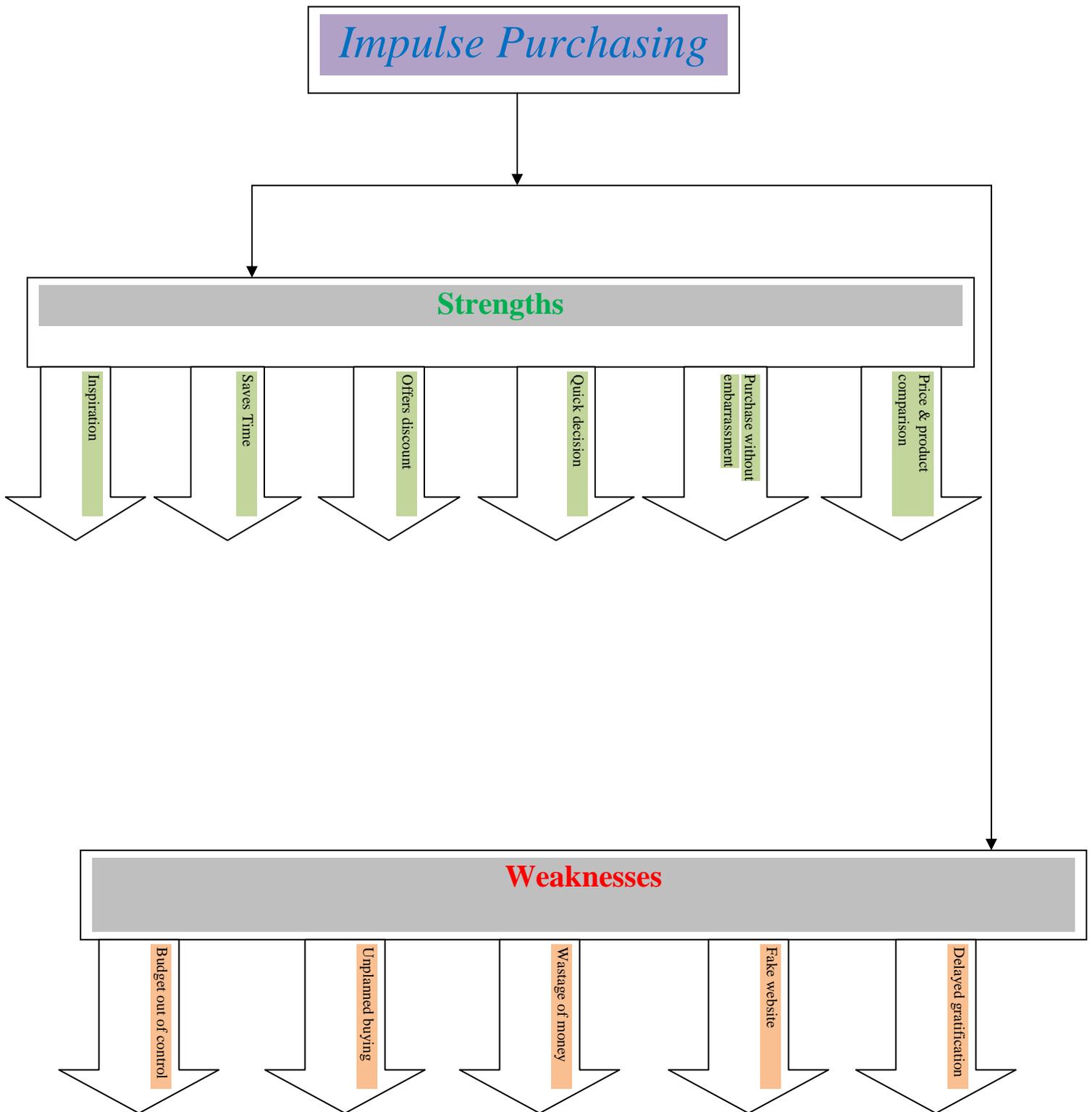
Figure 3 VSIPSWP Model 2

3.1Strengths

3.1.1 Inspiration

When shopping impulsively consumer get inspired from the products or attracted towards them immediately and purchase effectively. The online shopping and impulse buying stimulates the senses of consumer and inspires them to being captivated by the product.

3.1.2 Saves Time

Online shopping and impulse buying saves time of people while shopping via internet they don't feel any need to go to markets when they can just shop online. It saves there precious time of going to market and then selecting but internet offers everything nowadays consumers do not have to spare time from there busy life and go shopping. Online shopping and impulse buying has eradicated this problem.

3.1.3 Offers Discount

Consumers react to the offers which have discounts on them and do impulse purchasing. It is expected from consumer to make logical purchase decision but when they see products on discount people who are shopaholic forget everything and just buy impulsively.

3.1.4 Quick Decision

In impulse purchasing purchases are being done instantly. Consumers make quick decision about what they want to buy and purchase them on that basis.

3.1.5 Purchase without Embarrassment

The internet offers more privacy therefore consumers can without embarrassment buy whatever they want to shop and weren't able to buy offline. This also influences the impulse buying. Through this facility to shop in privacy are available Consumers can get into impulse buying what they want to buy that they would have considered embarrassing to buy offline.

3.1.6 Price & Product Comparison

It is easy to do a price and product comparison on shopping on internet. Every consumer has this need to do comparison before making the final decision to purchase.

3.2 Weaknesses

3.2.1 Budget out of Control

Impulse purchasing is to do immediate shopping which leads budget out of control as consumer shop a lot.

3.2.2 Unplanned Buying

The decision to buy product with no preshopping plan. It's just to buy the product without thinking or planning. Consumers buy an increasing amount of purchases on the internet.

3.2.3 Wastage of Money

When people buy so much products without thinking if there's need of this good or not they just waste their money.

3.2.4 Fake Website

Through internet there is very much possibility that people can be fooled and their money could be taken by a fake website offering same companies product.

3.2.5 Delayed Gratification

Delivery of the goods can be delayed except for downloadable products consumers cannot get the product immediately after buying it. The more immediately available the goods and services the more desire consumer have for it. The time fall in buying and receiving the product is the weakness of impulse buying through shopping channel such as internet.

4. Conclusion

Online shopping and impulse buying have some encouraging and discouraging factors. Our research explores some of those factors. These factors are identified by conducting a survey through questionnaires (each 30 questions), answered by thirty Pakistani Consumers (18 Males and 12 Females) of different age groups from 16-20, 21-25, and 45+. Factors that encourage: According to the results of this research 33.33% consumers think that impulse buying increases when items are on sale, internet offers easy access to buy products, online shopping offers a great variety of products, and online advertisement is attracting the customer to purchase more. Factors that discourage: The remaining 66.67% consumers think that credit card has enhanced the fashion of impulse buying, it is a

wastage of money, in online shopping you can't check the product physically and often visual of the product don't match the reality, it does not maintains a strong relationship between customer and supplier, it is not reliable, delivery can be late, prices are fixed in online shopping, so it is costly and sometimes delivery charges are also very high. This study discusses some important factors and further study is required to explore more factors.

Acknowledgment

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