

EXPLORING WHY CONSUMERS LEAVE WEBSITES BEFORE BUYING

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ABSTRACT

Businesses engaged in retailing over the Internet face many challenges. Most, if not all, of these businesses realize that a crucial point in the selling-purchasing process is the final phase - completion of purchase. Businesses must be able to close the sale before customers leave their website. This study intends to explore why consumers, who visit websites with intentions of completing a purchase, change their minds and leave websites without purchasing anything. The findings from this study may help online businesses cultivate an understanding of the mindset of Internet shoppers who use online services for purchasing transactions. Although understanding the phenomena and its psychological triggers may not completely eliminate incomplete shopping transactions online, it can help businesses understand the behavioral patterns of their shoppers and how websites may be improved to increase the likelihood of the completion of purchase transactions.

INTRODUCTION

The number of Internet users is in the millions. The proliferation of Internet use is aided by a reduction in costs of connection associated with availability, technology, and service providers. An increase in the number of Internet users creates the potential for an even greater number of Internet shoppers. Internet shoppers are attracted to the ease and convenience provided by shopping via the Internet (Shang, Chen, & Shen, 2005). The number of businesses establishing an online presence continues to rise. Unfortunately for businesses, despite the increase in Internet traffic and the potential for an increase in online transactions, the number of Internet consumers who fulfill intended purchases is unchanged.

Businesses engaging in retailing over the Internet, or e-tailing, face many challenges. In order to engage potential online consumers, companies must build a website, attract visitors to the website, and market products to the customer with the ease of online purchasing in mind. The crucial point in the selling-purchasing process is the final phase—completion of purchase.

Businesses must be able to close the sale and have a completed purchase before a customer leaves a website.

However, the ability of a business to do so can be difficult. Despite the millions of people who use the Internet everyday and visit various shopping sites, the number of consumers completing a purchase averages only about three percent of the number of users (Shim, Eastlick, Lotz & Warrington, 2001). Therefore, ninety-seven percent of the Internet population does not fully participate or engage in e-commerce by completing a purchase. Instead, ninety-seven percent of Internet users are browsers rather than actual purchasing consumers, and of this, according to a study, sixty percent of Internet users were not just browsers, but almost completed a purchase (Bordeau, 2005). These potential customers had the intent to purchase, but abandoned their shopping cart prior to completing the purchase transaction. This phenomenon of customer abandonment prior to purchase completion is a major challenge facing online retailers. Website abandonment rates may vary for different online vendors. However, overall abandonment rates are disturbingly high and indicate that despite the amount of effort and money spent on attracting customers to an online store, companies continue to fail in closing sales.

Several prior studies have attempted to determine the reason shoppers abandon their shopping carts before buying. Among these studies, one conducted by Lauren Freedman, a consultant with a Chicago-based e-tailing group, reported that concern about online security and astonishment at the grand total are major reasons for consumers to abandon their shopping carts (Koloszyc, 1999). Although several studies have attempted to investigate shopping cart abandonment, there have not been prior studies examining why shoppers leave websites. Beyond recognizing that the abandonment phenomenon exists, it is important to understand why shoppers visit websites but do not buy anything.

LITERATURE REVIEW

It is estimated that about 53% of Internet users in the United States have made a purchase online (George, 2004). However, not all consumers are turning to the Internet for shopping. While the number of Internet users who have made an online purchase at one time is more than half, this does not explain the disparity between the number of visits websites record and the number of actual purchases made online. One report shows that although a web site may receive millions of visitors, only about three percent of those visits result in a purchase (Betts, 2001). An explanation of these occurrences is that the majority of consumers are going online to window-shop and to plan making their purchases offline (Forsythe, 2003).

The Internet is capable of dissemination a large amount of information conveniently for customers. Thus product/service research on the Internet is seen as a valuable online capability by consumers in their decisions to buy products and/or services. Despite the fact that the Internet is fully capable of completing the online purchase transaction, many consumers still use the Internet to find information and then take it to a physical location for their purchases.

Physical locations have contrasting capabilities of providing sensory perception to consumers for use in purchasing decisions and the Internet is seen as incapable of satisfying sensory perception (Shim, et al., 2001). A physical location can provide more in the way of direct social interaction with others and of entertainment through the process of shopping amongst physically present

objects for a consumer (Shang, Chen, & Shen, 2005). Despite the benefits, the Internet may provide in terms of Internet shopping and/or transacting, consumers may simply be using the Internet as a research tool, not a purchasing medium.

Consumers want sensory perception in their shopping experiences regardless of whether the experience is online or in a physical location. One study reported that the four parts of sensory perception that consumers demand are context familiarity, product presence, visual impact, and site-user understanding (Demangeot & Broderick, 2006). This study also reveals that users have expectations that a retail web shopping site will simulate a retail store that must visually grab attention, be attractive and convey a clear unique message. In addition, the site must put consumers in the “shopping mood” and help to achieve shopping goals.

The consumer may have lingering attachments to more traditional methods of shopping off-line that online businesses need to overcome. Despite the consumers’ current reluctance, the Internet offers many advantages towards Internet shopping and transactions, and businesses continue to capitalize on those advantages and work toward attracting more consumers to engage in e-commerce. The Internet provides consumers the convenience of being able to shop anytime without worrying when the store will close. The Internet can also provide consumers access to products not available in their geographic region. Consumers can also shop or make online payments from the comfort of their home without having to deal with traffic. These advantages can make the use of the Internet as a tool for everyday shopping experiences very appealing. Added to this is the fact that consumers are now able to access the Internet, not only from their PCs, but also from advanced electronic devices such as mobile phones (Kau, 2003).

In the past, the Internet connection speed and cost were of concern to consumers; however, consumers now increasingly have high-speed Internet access connections and lower connection costs. In addition, consumers are increasing their competence in effectively using the Internet to the point that many feel that e-commerce will continue to grow as the availability and ease with which the Internet provides consumers with the ability to handle needed tasks continues to grow as well (Kolsaker, 2002). According to a study of customer behavior in abandoning their purchases, it was found that in order for a purchase to be likely but not completed, there had to be an initial desire for the product and an emotional connection that turned negative and impeded their decision to complete a purchase (Barnes, King, & Breen, 2004). In essence, one of the first obstacles that businesses face in physical and online venues is the conversion of viewers into buyers. The intent to buy or purchase a good or service is the initial hurdle. The next obstacle is maintaining the intent of a potential customer to purchase and to actually complete the purchase.

The most significant determinant of online consumer retailing is trust. Trust is seen as a major component of consumer willingness to fully participate in e-commerce by fully completing an online transaction. Several studies have found that trust of the business’ online presence was listed as a key element in the decision to make a purchase online (Grabner-Krauter & Kaluscha, 2003). Crucial to the trust a website engenders are privacy and security (Mukherjee & Prithwiraj, 2007). Mukherjee, et al. (2007) reveals that consumers expect retail websites to clearly define privacy policies and provide an option not to receive unsolicited promotional email. In addition, security in online retailing is also significant and consumers look for the

latest security features and authentication seals as a sign of trustworthiness before making any purchase online.

METHODOLOGY

A direct survey was used to collect the data for this study. The survey questions are compiled from previous study questions pertaining to consumer behaviors with online shopping as well as suggestions from researchers and students. Details on the subjects' demographics are provided in Table 1 below.

Age (in years)					
Under 18	18-24	25-34	35-44	45 and over	Not answer
2 (0.75%)	219 (81.72%)	33 (12.31%)	9 (3.36%)	4 (1.49%)	1 (0.37%)
Gender					
Male		Female		Not answer	
145 (54.10%)		123 (45.52%)		1 (0.37%)	
Ethnicity					
African-American	Anglo	Asian	Hispanic	Native American	Not answer
7 (2.61%)	141 (52.61%)	6 (2.24%)	104 (38.81%)	2 (0.75%)	8 (2.99%)
Have a Computer at Home					
Yes		No		Not answer	
257 (95.90%)		10 (3.73%)		1 (0.37%)	
Have a Computer at Work					
Yes		No		Not answer	
189 (70.52%)		67 (25.00%)		1(0.37%)	
Employment Status					
Yes		No		Not answer	
208 (77.61%)		57 (21.27%)		3(1.12%)	
Income					
Less than \$20,000	\$20,000- 40,000	\$40,000-60,000	Greater than \$60,000	Not answer	
207 (75.00%)	41 (15.30%)	9 (3.36%)	13 (4.85%)	4(1.49%)	
Own Credit Card					
Yes		No		Not answer	
247 (92.16%)		18 (6.72%)		3 (1.12%)	
Have Made Payment Online Before					
Yes		No		Not answer	
242 (90.30%)		22 (8.21%)		4 (1.49%)	
Have Returned Product Purchased Online Before					
Yes		No		Not answer	
87 (32.46%)		177 (66.04%)		4 (1.49%)	
Frequencies of Browsing Websites But Not Buying					
None	1-5	6-10	11 and up	Not answer	
28 (10.45%)	82 (30.60%)	72 (26.87%)	83 (30.97%)	3(1.12%)	

Table 1: Subjects' Demographics

The survey asked subjects to refer to the most recent website they visited with an intention to buy but decided to leave without actually buying. The survey was developed with five-point Likert scaled questions. Answers to the scaled questions ranged from “strongly disagree” to “strongly agree” as end points. Subjects were asked to rate their level of agreement with each item as a reason that may have caused them to leave a website without buying. Surveys were distributed to undergraduate and graduate business students enrolled in a mid-sized four-year university. The survey consists of 39 questions. Besides 19 questions on demographics, the remaining 20 questions were designed to examine why subjects decided to leave a website without completing a purchase transaction. Two hundred and sixty-eight (268) subjects completed and returned the survey instruments.

DATA ANALYSIS AND DISCUSSION

The research data showed a reliability coefficient (Cronbach’s alpha) of 0.904, suggesting the reliability of the data. A second measure of internal consistency, the odd-even reliability test, resulted in a similar score of 0.918. It should be noted that the measures of reliability relate to the data collected and not the survey instrument itself.

To identify which factors Internet shoppers deemed as reasons for abandoning a website before completing the purchase, the mean responses to each question were calculated and examined. The survey items were on a Likert-scale ranging from 1 to 5. Table 2 below shows the reasons, from most important to least important, that Internet shoppers abandon websites before they complete the purchase.

Survey Item	Question	Mean Score*
Q18	I like to see the actual product before buying	3.41
Q4	I was not sure that the site provides the best price	3.37
Q7	Shipping prices were too high	3.29
Q11	I did not like to register before checking out the product	3.22
Q2	I did not find the desired product	3.15
Q10	The check out processes requires too much information	3.04
Q14	Total cost of items were too high	3.01
Q9	I hesitated to provide credit card information	2.96
Q17	I was afraid that product might not arrive on time	2.92
Q6	The site was confusing	2.74
Q15	I would like to contact customer service for more information	2.74
Q5	The pages took too long to download	2.70
Q8	Taxes were too high/ not expect to pay tax	2.70
Q16	I was afraid of receiving wrong product	2.69
Q3	I did not find the information about shipping	2.53
Q19	I did not like the design of the website	2.52
Q1	I did not have enough time to complete the purchase	2.48
Q13	The site did not accept checks	2.40
Q12	The site did not accept credit cards	2.27
Q20	My credit card was rejected	1.94

* ranking from the highest to the lowest.

Table 2: Factors Why Internet Shopper Abandon Website before Buying

The Internet shoppers listed the desire to actually see and handle the product before they buy as a main reason for not completing the purchase. Sensory perception is still a big part of the purchasing process of many items. For example, apparel is one category in which shoppers like to feel the quality of the material and they like to try on the clothing to ensure a proper fit. However, this is a capability that the Internet cannot provide to shoppers. This factor had a mean score of 3.41 out of 5. Thus, it was the number one reason Internet shoppers do not complete their purchase online. Fifty-six percent of the respondents agreed or strongly agreed with this factor being the main reason they did not complete the purchasing process online.

Next Internet shoppers listed the concern that they were not sure that the website they visited offered the best price. This factor had a mean score of 3.37 out of 5 with fifty-eight percent of the respondents agreeing or strongly agreeing with this factor being a reason they did not complete the purchasing process online. This is an interesting finding since the very nature of the Internet makes it very easy to comparison shop to find the best price for the price-conscious shopper. It is much easier and less time consuming than comparison shopping in the physical stores. There are actually price comparison websites that allow Internet shoppers to compare the prices of many different websites all on one website.

Internet shoppers also listed the belief that shipping prices were too high for them to complete their purchase online. This factor had a mean score of 3.29 out of 5. The need to pay for shipping costs is sometimes partially offset for not having to pay sales tax when purchasing online. The shipping costs are also necessary because the items purchased online are being delivered right to the buyer's door with minimal effort on the buyer's part. Nevertheless, fifty-one percent of the respondents agreed or strongly agreed with this factor being a reason they did not complete the purchasing process online.

Some e-commerce websites require that the Internet shoppers register before they can checkout to complete their purchase. Approximately forty-nine percent of the respondents agreed or strongly agreed as having to register first was a major reason they did not complete their online purchase. This factor had a mean score of 3.22 out of 5. However, many websites simply gather the information a user enters during the checkout phase to register the user. The e-commerce websites usually have the user register so that if the user returns to the site in the future, they will not have to reenter their information.

The fifth reason Internet shoppers cited as a reason they did not complete the online purchase process was due to the fact they did not find the product they wanted to purchase. This factor had a mean score of 3.15 out of 5 with forty-seven percent of the respondents agreeing or strongly agreeing with this factor being a reason they did not complete the purchasing process online. This may be a factor for some websites but Internet shoppers will probably be able to find what they are looking for on other websites.

CONCLUSION

This study examines what factors influence Internet shoppers who have initial intentions of purchasing to change their minds and leave the website without completing a purchase. The results are based on the data collected from 268 Internet shoppers. The top five factors reported as the reasons why Internet shoppers leave websites without purchasing are: (1) I like to see the actual product before buying, (2) I was not sure that the site provides the best price, (3) shipping prices were too high, (4) I did not like to register before checking out the product, and (5) I did not find the desired product.

These findings may help online businesses focus more on the factors that make consumers leave websites before completing purchased transactions. Three of the top five reasons are issues that the individual websites can address. Websites that are competing based on price can provide information from a variety of websites to ensure the Internet shopper that they are getting the best possible price. The companies behind the e-commerce websites can negotiate with shipping companies to get the lowest shipping cost possible in which they can pass the savings on to their customers. Finally, the websites can eliminate the need to register before allow the customer to purchase. The registration information can simply be obtained from the shipping information that the customers enter into the system. These are a few changes that are relatively easy to implement but have the potential of helping Internet shoppers complete the online purchase process.

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