

# Chapter 91

## Influence of Perceived Benefits on Consumers' Online Purchase Behaviour: An Empirical Study

**Rama Mohana Rao Katta**

*Department of Commerce and Management Studies, Andhra University, Visakhapatnam, India*

**Chandra Sekhar Patro**

*Department of Management Studies, GVP College of Engineering (A), Visakhapatnam, India*

### ABSTRACT

*This article describes how e-retailing has become one of the most important uses of technology relating to the internet. The activity of online shopping is considered to be one of the important features of e-retailing. The enormous advantages offered by online shopping stimulate corporate managers, marketing departments and retailers to offer their products through the websites to attract the largest number of shoppers, not only to local markets but also global markets. The change in consumer behavior along with the availability of cheaper and reliable technology for secure transactions has led to a significant growth in online sales around the world. The present article focuses on identifying the key factors influencing the consumers' perceived benefits while shopping online. The article further focuses on the influence of demographic factors on consumers' perceived benefits. The findings of the article would help e-retailers to have a better understanding and to develop strategies for making the online shopping experience more effective and trustworthy to the target consumers.*

### INTRODUCTION

Online shopping provides the right solution to get the desired goods and services with a touch on the computer/mobile screen. Consumers are more connected than ever before and have more information and choices at their fingertips today due to expanding connectivity of internet all over the world. Online

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consumers always seek new products, new attractiveness and the most important thing being price compatibility with their budget. If e-marketers know and understand the factors affecting consumer behaviour, they can further sharpen their marketing strategies to attract and retain customers. It is becoming a serious competitor to the conventional store based distribution system. As every marketing organization aims to develop loyal customer base by delivering value that satisfies the customers, it is imminent to know the factors contributing for the consumer intentions to design their marketing programs effectively (Katta & Patro, 2016).

Perceived benefits are beliefs about the positive outcomes related to a behavior in response to real or perceived threat. Kim, Ferrin, & Rao (2008) stated that perceived benefit is a consumers' belief about the extent to which he or she will become better off from the online transaction with a certain online shopping. Perceived benefits of shopping online were the consumer's subjective perception of gain from shopping online. Perceived benefits are the consumers' needs or wants and the sum of online shopping advantages or satisfactions (Forsythe, Liu, Shannon, & Gardner, 2006). Fei and Liat (2015) described perceived convenience, financial benefits, and easy interface were all the important factors besides perceived benefits and perceived ease of use and customer satisfaction as the core motivation of consumers' online shopping decision.

Perceived benefits consider the advantages associated with online shopping experience including convenience, price comparison, time saving, return policy, ease of shopping, enjoyment and enhanced customer-retailer relationship (Elwalda, Lü, & Ali, 2016). Hsu and Bayarsaikhan (2012) identified that the four dimensions of perceived benefits of online shopping were shopping convenience, product selection, comfort of shopping, and hedonic/enjoyment. San Lim, Heng, Ng, & Cheah (2016) suggested that a well-designed website provides useful information and extra benefits to customers and in turn enhances sales volume as well the reputation of the company. Recommendation from family and friends is also considered to be influential on factor on consumers' purchase intention.

Hirst and Ashwin (2009) stated that consumers' perceived quality of information for products and services provide on the website is one of the most crucial factors influencing their purchase intentions. The benefits associated with complete and relevant information results in purchasing better quality products/ services and this may improve satisfaction and increase repeat purchasing intention by reducing the risks of dissatisfaction and anxiety in further purchase (Park and Kim, 2003). According to Jadhav and Khanna (2016), online shopping benefits and customers' attitudes and decisions toward online shopping have a strong relationship. Those shoppers who place a higher level of importance on the aesthetics aspects of websites and the specific benefits of e-shopping would likely purchase more frequently than infrequent shoppers. Customers use the Internet for their shopping due to the benefits they get, due to the concept that internet shopping is more convenient and offers competitive prices. Therefore, convenience is considered as one of most important factors that motivate customers to shop online in addition to the other benefits.

## **REVIEW OF LITERATURE**

The study provides the review of select literature in the area of consumers' perceived benefits while making an online purchase to have a thorough understanding of the conceptual constructs and empirical research. Rasool, Gupta, Slathia, & Mahajan (2017) revealed that the factors perceived credibility, perceived usefulness, perceived ease of use and computer self-efficacy is significantly dependent on

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