

Online Consumer Behavior: An In Depth Look at Price Sensitivity and Shopper Hesitation

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Abstract

Online shopping has become one of the most important and popular uses of the internet, yet some users still show hesitation to participate in the activity. Although many studies have investigated attitudes, motives and barriers of online shopping, these investigations have failed to understand the exact point in the sale where consumers show hesitation in reference to price level. Extensive prior research has discovered that social demographics are no longer strong indicators of consumer online shopping activity. Instead, studies are showing that price proves to be a strong motive for online shopping while simultaneously being the primary barrier for others. This translates that consumers have a particular price range that they feel comfortable spending online and a reason for their hesitation to spend more. This study set out to reveal this exact price range where consumers decide to shop offline and their reasoning for such hesitation. Nominal, ordinal and interval data were gathered using a convenience sampling method from individuals in the Midwest region of the United States. A survey was constructed including questions that validated the sample set and investigated online shopping behavior. Price ranges were divided into lower (0-\$300) and upper (\$301-\$700+) levels in order to organize survey findings for testing. Using the retrieved data it was concluded that the majority of online shoppers hesitate to spend outside of the 0-\$300 price range because they would rather interact with more expensive items before purchasing them. These findings will prove to be beneficial for both online and offline marketplaces as well as serve as grounds for future research concerning online shopper behavior.