Reading on
Marketing Theories
A Practical Approach on Case Studies

Ahasanul Haque

Reading on Marketing Theories: A Practical Approach on Case Studies

Ahasanul Haque, Ph. D

Associate Professor of Marketing

Faculty of Economics & Management Sciences
Department of Business Administration

Contents

Table of Content

Shopping on the Internet: The influence of brand name on consumer's purchase decision

Ahasanul Haque and Arun Kumar Tarofder

Introduction

Recent interest in the Internet as a medium for information search and e-commerce has attracted many marketers to have a presence on the World Wide Web. As a matter of fact, commerce on the Internet. or e-commerce, has experience rapid growth for the past few years This pace is not expected to slacken.

One research estimates that online sales in the USA amounted to $7.8 billion in 1998, and forecasted this form of electronic commerce will reach $108 billion by 2003. While this would still amount under 5% of all retail sales in 2003. This indicates the potential consumer reach of Internet in retailing business.

As such, many businesses had rush into having a web site and are convinced that having an impressive web site are good enough to inform the world about their existence. Many are of the impression that feeding as much products information as possible to consumer on the net will help in boosting sales and profit for the company. In addition, it is relatively easy and less capital for vendors setting up on-line shop than conventional shops that as a result, smaller retailers have embraced the Internet

On the part of consumer, on-line shoppers appear to be attracted by the ease of which they can find products and purchase them at a simple click on the Internet. There are also detailed product information available and variety of choices offered. However, due to proliferation of on-line retailer as above mentioned, product and services are difficult to distinguish and differentiated. Moreover, consumer may be cautious of those unscrupulous fly-by-night companies. Therefore, consumers often bypass these problems by relying on branded products

Ernst and Young recently reported that 69 percent of those surveyed stated that brand names play a significant role in their online buying decision. As a result, marketing through established brands may be required on the Internet

Objective and Purpose

The purpose of this study is to understand consumer Internet shopping behavior We are interested to study the brand name influence over the consumer product search behavior and purchase decision on the Internet.

The comprehensive (grand) consumer behavior model by Engel et. al. suggested that the consumer purchase process involve five phases, i.e. problem recognition, information search, alternative evaluation, purchase action and post purchase behavior Since the Internet has now become part of consumer daily life and they often use Internet in conducting their search, we are interested to look at the influence of product brand names to two variables to the above mentioned model, i.e. product search and purchase decision.

HYPOTHESIS

Hypothesis I

Our first hypothesis is "brand name has significant impact on consumer purchasing decision while shopping online". We would like to test that when consumer shopping on-line, they rely on brand name to make a purchase decision.