

# **The Impact of Consumer Perception on E-Commerce Transactions**

## **Introduction**

As the use of the Internet increases, retailers are turning to this channel for some their sales and marketing activities. New problems are being introduced to the sales process due to the representation of color-critical items on e-commerce sites. Proprietary studies commissioned by color research companies have indicated a significant level of consumer dissatisfaction can be attributed to inaccurate color representation. These studies report that 60% of on-line shoppers do not trust the color they see on their monitors. Further, 30% of on-line shoppers have decided not to purchase a product because the actual color of the product was in doubt. Additionally, 15% of shoppers reported having returned items because the color of the product received did not match the color as represented on the e-commerce site. This project focuses on confirming the extent of consumer reluctance to embrace e-commerce due to color inaccuracies.

## **Research Design and Methodology**

The research utilizes a consumer survey regarding recent Internet purchases. The survey was designed to determine the reason for the e-consumer's dissatisfaction. The process was initiated by contacting retailers that accept orders for color-critical items by both catalog and e-commerce channels, such as J. Crew, L.L. Bean, Spiegel, and J.C. Penney, to see if they were willing to participate in this research project. As a result, we were able to confirm that the problem exists and is significant enough to warrant further investigation.

Our survey instrument was designed to obtain information from consumers to assess their satisfaction with the e-shopping experience. This includes both the level of consumer purchase reluctance and post-purchase dissonance with color-critical items.

A pilot survey of consumers was conducted to assess the effectiveness of the instrument. The actual survey of 300 college age consumers was conducted on a major college campus in the Northwest. The student population consisted of both undergraduate and graduate students. Preliminary results will be available by the time of the conference.

## **Relevance and Future Research**

The project's relevance is that it will lead to better management of e-commerce through better understanding of benefits and drawbacks of presenting goods via computer display. This research will spotlight the necessity of collaboration between departments within organizations such as information systems, marketing, and operations. This will allow organizations to work more efficiently, leading to a reduction in consumer costs and ultimately allowing e-commerce to be more competitive.

Further research will follow two main tracks. One will investigate the impact of computer monitors, video cards, color file types, and other technical factors that may influence the transmission and display of color on the Internet. The other will involve a comparison of actual color swatches to a video representation of those color swatches to determine the level of perceived difference in the two samples.