Chapter XIII

Shopping Agent Web Sites: A Comparative Shopping Environment

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Abstract

This chapter introduces the shopping agent technology as a new Internet marketing trend. The recent development of shopping agent Web sites has offered online shoppers an excellent comparative shopping environment. Shopping agent Web sites, also called shopping agents or shopping bots, are software programs that search the Internet stores on the Web and find products that meet a buyer’s specifications. Not only do these agent Web sites bring comparative product and price information from individual merchants’ Web sites, but also provide the online merchant ratings to customers. In summary, these agent Web sites take a query, search the Web sites of individual merchants that may have the product sought, bring back the results, and present them in a consolidated and compact format that allows comparison shopping at a glance.
Introduction

The enormous amount of information available to online shoppers on the Internet makes it difficult to find relevant products and merchant information. The recent development of shopping agent Web sites has offered a practical solution for this information overload problem and provided online shoppers an informative, convenient and comparative shopping environment. Recent research has shown that consumers prefer to shop and buy on the Internet for three major reasons — convenience, time-savings, and comparative shopping (Oz, 2002). The features of shopping agent Web sites fit these customers’ needs.

Shopping agent Web sites are created with agent software that performs functions such as information gathering and information filtering on behalf of a person or entity. In the comparative shopping arena, shopping agents can provide the customer with comparative prices for a desired product, a review of the product and a review of the number of shopping alternatives before they make their purchase decisions. Once a customer selects a product with a merchant, the individual merchant Web site will process purchase and delivery details. Like a personal digital assistant, an agent provides personalized assistance in a specialized task for customers. From the customer’s point of view, an agent reduces complexity, increases efficiency, and supports user mobility (Liu, 1998). For example, the agent will first locate the merchants’ Web sites selling specific products. Then, the agent will collect information about the prices of a targeted product, and its features from these merchants. Most shopping-bots claim to eliminate the searching necessary to identify the right product at the best price. It has been proposed that the availability of agent Web sites is one of the reasons why e-markets should be more efficient (Mougayar, 1998).

Some auction agent Web sites provide a negotiation service. Agents will represent both buyers and sellers. Once a buyer identifies a seller, the agent can negotiate the transaction. The agents will negotiate a price and then execute the transaction for their respective owners. The buyer’s agent will use a credit card account number to pay for the product. The seller’s agent will accept the payment and transmit the proper instructions to deliver the item under the terms agreed upon by the agent.

The shopping agent Web sites work as a third party between online customers and merchants providing services for both sides. Member merchants can benefit from the shopping agent’s market report. The report provides brand, price trends, market share and customer buying habit information based on real-time data from the database that monitors over 40,000 of the most actively traded products. In addition, merchants can also receive feedback in the form of online evaluations from customers. Positive evaluations will draw more customers to the evaluated merchants. Negative evaluations will help them learn lessons and improve their service quality. In the auction environment, eBay makes reputation reports about each other available to its bidders and sellers.

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