Chapter V
Price, Product Complexity, and Durability in Comparison Shopping

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ABSTRACT
This chapter examines how product price, product complexity and product durability influence consumers’ comparison shopping process. Frequently comparison shopping is equated only to price comparisons. However, comparison shopping is becoming far broader than finding the cheapest price over the Internet. Nowadays a vast variety of products are sold over the Internet. Some are relatively simple products such as books and movie DVDs. Others are more complex such as computer related products, travel reservations and real-estate properties. As the number of key product attributes increases, consumers apply different kinds of decision making rather than just looking for the cheapest price. Consumers also use different decision making tactics between durable and non-durable products. This chapter looks into the implications of such differences for consumers and product sellers. It concludes with managerial implications and future research agendas.

INTRODUCTION
For many, “comparison shopping” often means the search for the cheapest price on a product. Price is a universal quantitative measure that we can tell which “deal” is the best one, given the similar product quality. Not surprisingly many comparison shopping websites offer product prices as a key shopping criterion. Among many other, websites such as www.bizrate.com and www.
bestbookbuys.com use prices as a key, convenient purchase criteria for comparison shopping.

Today there are numerous comparison shopping websites. So much so, there are comparison websites for comparison shopping websites, such as www.pricingcentral.com that provides “180 listings of comparison shopping engines (124 active) and 320 listings of online stores (186 active)” as of July 5, 2008. In addition, the website claims to include “11757 user ratings of comparison shopping sites and 7309 ratings of online merchants.”

While the above mentioned websites focus mainly on price offered online, there are other websites that provide a broad range of criteria and analyses for product purchasing by using data that is not directly available online. A well known example is www.consumerreports.org. Another example is www.pcmag.com which offers information technology (IT) related product reviews as an aid for comparison shopping.

Search engines are known to “offer” the leads for comparison shopping by showing links to the three types of comparison websites (comparison shopping websites, meta comparison websites, and comparison shopping aid websites). For example, one can enter “laser printers” as search words in www.google.com; the results include the links to numerous shopping websites and product shopping guides. This type should probably be called involuntary comparison shopping in a sense that comparison shopping is enticed even when the consumer has no comparison shopping in mind.

In short, online comparison shopping is not really a simple venue through which consumers just compare product availability and price. Rather, it is becoming a venue through which consumers voluntarily or non-voluntarily obtain “expert” assistance in the process of purchase decision making on simple to complex products. Such “expert” assistance includes not only product availability and price but also key product attributes, product reliability, post-purchase product service assessment, and expert as well as user overall product evaluations.

This chapter focuses on the complexity, durability and price range of products as key variables in the process of comparison shopping. We present a model that summarizes issues consumers face and tactics firms use in the process of online comparison shopping. A key message this chapter imparts is that comparison shopping goes far beyond price comparisons and that its main goal is the total fulfillment of satisfactory product purchase experience.

At the outset, the products that this chapter considers are consumer products often seen in comparison shopping websites. This chapter does not review academic concepts and theories. Rather, this chapter explores salient issues in the consumer comparison shopping process for consumers, sellers and researchers from a broader perspective based on first-hand observations.

In the following sections, we first discuss the process and different levels/types of comparison shopping. We then examine the concept of product attributes and their impact on comparison shopping. The next section presents a model of comparison shopping with propositions. Implications for consumers and sellers are discussed. The last part of this chapter considers future research directions followed by conclusions.

**PROCESS OF “SHOPPING”**

The term “shopping” is used casually to mean selecting a product for purchase. Comparison shopping often means the process in which determining the product to buy is the result of performing an assessment of products, especially their prices. In it, the focus is often on the moment of actually making the purchase decision. However, it is important to recognize that “shopping” is a process rather than just the decision moment. A general, five-stage model of consumer purchase decision process is commonly seen as:

1. **Problem Recognition:**
   - Consumers identify a need or desire for a product.
   - They may be prompted by a specific need or simply an interest in exploring options. This stage involves recognizing a gap between current possession and desired goals.

2. **Information Search:**
   - Consumers seek information about products and services. This can be through personal experience, recommendations from family and friends, or by reading reviews online.
   - They might search for product specifications, prices, customer reviews, and any available data that will help them make a decision.

3. **Evaluation:**
   - Consumers evaluate various options based on the information gathered. This involves considering attributes such as price, quality, features, and brand reputation.
   - They compare products and services to determine which best meets their needs.

4. **Decision:**
   - After evaluating the options, consumers decide on a particular product or service.
   - Factors such as personal preferences, financial constraints, and emotional considerations play a role in this decision.

5. **Post-Purchase Behavior:**
   - Once the decision is made, consumers may engage in behaviors such as product evaluation, word-of-mouth communication, and repeat purchase intentions.
   - They may also seek out additional information or advice to improve future decision-making processes.

By understanding these stages, businesses can better tailor their marketing strategies to engage consumers at each phase of the decision process.
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