ABSTRACT

E-commerce enables investors to penetrate markets quickly and cheaply. Consequently many investors are rushing into e-commerce to set up dot.com companies, or to add an additional channel of distribution. Unfortunately, the rapid growth in e-commerce is not matched with a high level of research enthusiasm on e-commerce. Studies and publication on e-commerce are limited, particularly the study of consumer’s perception of price online.

This research seeks to discover the impact of price on consumer’s behavior, the attributes of successful vendors as well as the types of products/services sellable in an online context. This research sought to be a reference to online retailers or potential online retailers in formulating their strategies.

To establish for this research, the author conducted numerous studies into related literature, followed by a survey. A structured questionnaire was administered to 102 respondents and the data was analyzed descriptively.

There are 10 factors of price sensitivity (perceived substitute, expenditure, inventory, fairness, end-benefit, unique value, shared-cost, price-quality, difficult comparison, switching-cost) and the survey result shows that not all of those 10 factors do influence the online buying behavior of the consumers.

Keywords:
Internet, Indonesia Internet users, consumers’ perception, price