

# Recent Advances in Online Consumer Behavior

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## INTRODUCTION

From the 1990s to 2014, users navigation through the Internet has grown from less than 1 million in Europe and North America (Hill 2011) to 3 billion globally with an exponential growth in Asia and the Middle East.<sup>1</sup> Breakthroughs in Internet technology have shifted the power towards customers and communities to some extent. New network platforms have been created to enhance product innovation through complex collaborations and, at the same time, several online communities related to business or non-business matters emerged. In view of these major transformations, businesses have to develop new strategies taking into consideration “physical boundaries” and “virtual connections” (accessibility, transparency in their products, transformation of their communication strategies and promotion, assessing and reviewing customer feedback). Customers, on the other end, have been able to search for information, compare alternatives, shop “online” at a distance and become more assertive in expressing and sharing with peers and businesses their rights and innovative ideas. In this chapter, we provide insights to business decision makers and marketing scholars as what to foresee from the continuous and dynamic modeling of *online consumer behavior* model (OCB) and introduce some of the challenges in the field that have not been addressed yet in the form of questions and research avenues.

## EMERGENCE OF THE OCB MODEL: ONLINE SHOPPING

Online business exchanges are different from commercial brick and mortar outlets. The key challenge is how to effectively and strategically communicate with customers and how to positively impact their attitudes and perceptions (Richard 2005). Online shopping has grown so fast that online retail sales in the U.S alone will reach \$370 billion by 2017 (Lauren 2013). Although Eroglu, Machleit and Davis (2001) demonstrate that both customers and retailers appreciate online retail stores–“e-retailing”–because of convenience, efficiency, value, and hedonic aspects, many websites fail to successfully create a positive experience or to lure customers towards purchasing products (Hausman & Siekpe 2008). To address this problem, marketing scholars began to study online marketing practices and their effects on

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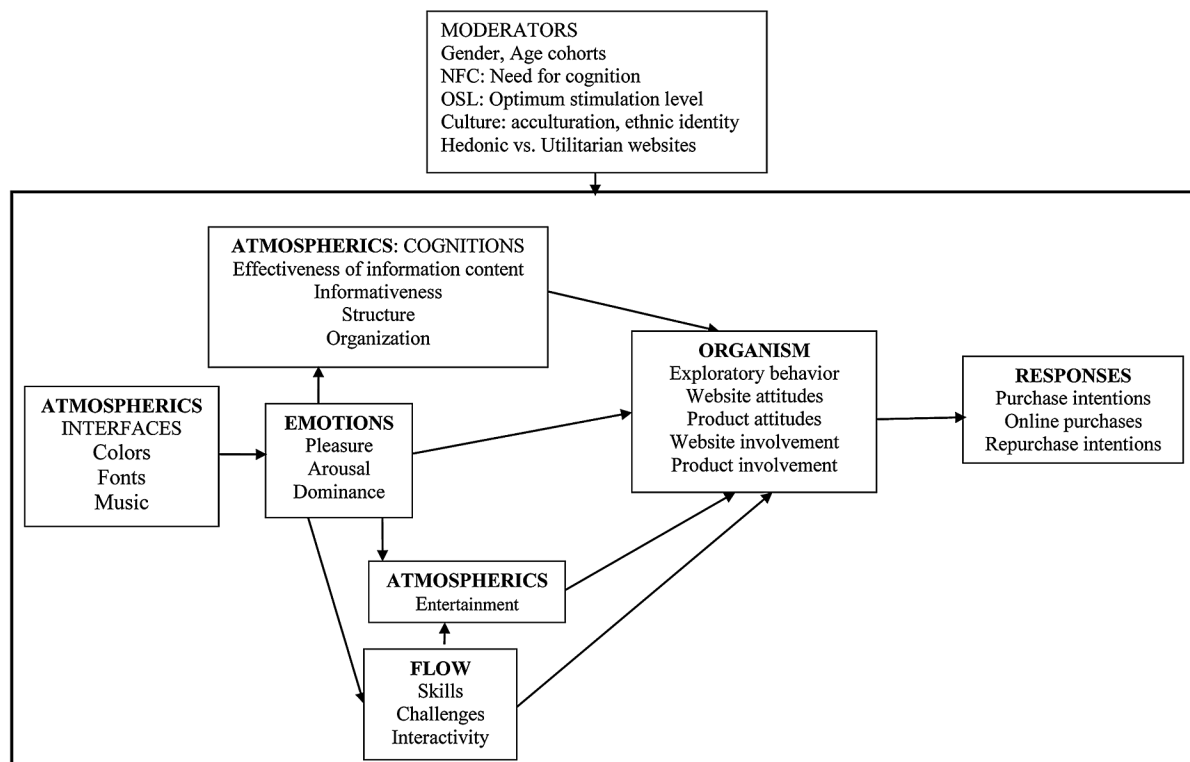
customers. This new important marketing subfield is called “online consumer behavior.” The purpose is to investigate human behavior in online contexts and the ways perceptions and attitudes are formed in the online environment. This resulted in emergence of the OCB model.

## EVOLUTION OF THE ONLINE CONSUMER BEHAVIOR MODEL (OCB)

Several aspects related to website use from a customer perspective have been successfully modeled (e.g. Laroche 2010; Laroche *et al.* 2005; Laroche *et al.* 2013; Mazaheri, Richard, & Laroche 2010; 2011; Mazaheri *et al.* 2014; Richard 2005; Shobeiri, Mazaheri, & Laroche 2014a; 2014b). Figure 1 integrates the findings into one model to provide a big picture. This model is based on a widely accepted theory from environmental psychology (Mehrabian & Russell 1974) and adapted to study perceptual design elements of websites. The implications of this model are impactful for both companies and public organizations (e.g., education institutions, and hospitals).

Some researchers looked at ways through which customers analyze information and make decision in online environments. However, as suggested by environmental psychologists (Clore *et al.* 1994; Rapoport 1977), we believe that individuals assess and respond to environmental stimuli both emotionally and cognitively and the aroused emotions after an encounter influence customers’ further cognitive analyses.

Figure 1. The research model



Sources: Adapted from Richard, M.-O., Modeling the internet behavior of visitors by the study of cognitive variables and moderators, unpublished doctoral dissertation, HEC-Montreal Business School (2008); Mazaheri, E., Richard, M.-O., and Laroche, M., “Online consumer behavior: A comparison between Canadian and Asian website visitors.” *Journal of Business Research*, 64 (2011), 958-965; Mazaheri, E., Richard, M.-O., and Laroche, M. (2010), “Investigating the moderating impact of hedonism on online consumer behavior,” *Journal of the Global Academy of Marketing Science* 20, 2 (June), 123-134.

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