Chapter 5.1
A Closer Look to the Online Consumer Behavior

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INTRODUCTION

Nowadays the Web comprises a significant advance in technology, and the rapidity of its acceptance has been remarkable. It is a powerful tool that has changed the way of conducting business, providing companies and customers with limitless options and opportunities. Online catalogs, 24/7 service availability, a cut down in transaction costs, reduction of customer service time, personalized features, and absence of paper and personalization features are only a few of the advantages. Companies, in an effort to stay competitive in the new global economy, are increasingly expanding their activities to this new communication channel, which features as a factor of major profit potential.

As a direct consequence of e-commerce spreading, we are witnessing the emergence of a new consumer type, the online consumer or e-customer that uses the Internet for purchasing products/services (Solomon, 2001). The online consumer is empowered with new, exciting capabilities: he can search globally for products/services, compare available options, find additional information, read the opinion of other people who have bought the product/service, or proceed with the transaction. All these options are available from his office or home and can be used conveniently and fast, while all alternative e-shops are only a few clicks away.

As in the case of trivial customers, ensuring e-customer satisfaction is not a simple task. To a certain degree, e-customers (expect to) behave online similarly to how they behave off-line (in traditional real-life shops); but in order to fully understand their behavior, one should explore issues like the reasons why people use the Internet

for their purchases, the benefits/drawbacks of online buying, and the identification of clusters of customers who share common attitudes, behavior, and preferences online (Blackwell, Miniard, & Engel, 2000). According to Seybold and Marshak (1998), consumers prefer the Internet because it offers easier and faster shopping. Convenience, timesaving, moneysaving, greater options, and fun are among the top reasons, and this kind of knowledge is of great value for dictating efficient e-marketing strategies and motivating e-commerce use with twofold objective: turn non-shoppers into shoppers and increase shopping of current shoppers.

This article presents the overall consumer purchase decision cycle and investigates the issues that affect Web users, from selecting a specific e-shop to the delivery of the product and the overall assessment of the shopping experience. This process has been divided into 13 states referring to customer behavior: outside the e-shop, inside the e-shop, and after sales. Special focus is set on identifying the potential abandonment factors thus leading to practical guidelines for all those whose decisions and objectives affect the online shopping experience (e-shop owners, marketing specialists, Web site designers, and developers).

BACKGROUND

Understanding the process of decision making behind online shopping behavior is important for developing e-business strategies and can provide guidance for deploying adequate marketing tools for persuading visitors to buy online (Underhill, 2000). The traditional consumer purchase decision cycle has six stages according to Windham and Orton (2000): stimulate (realize the need), consider (collect ideas for potential solutions), search (choose category), choose (make selection), buy (make purchase transaction), and buy again (repurchase as needed). There also exist variations, since in some cases stages are merged,

collapsed, or skipped. Adapted to the Web context, this cycle is merged to three stages: confidence building, where a consumer realizes that there is an alternative option for buying products or services; skirmish, when he purchases for the first time; and war, when he keeps on buying products or services (Zaltman, 2003).

Lee (2002) presented a behavioral model for the e-customer. The model is based on three distinct phases: building trust and confidence, online purchase experience, and after-purchase needs. The first phase examines issues connected to the Web site's brand name, authentication, reliability, credibility, privacy, and security. Intuitive navigation, searching facilities, product information, payment modes, usability, and convenience are among the consumer requirements that affect the second phase. The last phase relates to on-time delivery, customer support, technical support, availability of product warranty, and so forth. The combination of the three phases releases a behavioral model that increases consumer trust and leads to more online purchases. Different other cases have also been recorded in the international literature presenting parts of the behavior of the online customer (Mowen & Minor, 2000; McEnally, 2002).

ONLINE CONSUMER'S MODEL

The model in Figures 1, 2, and 3 describes the way an online consumer interacts with an e-shop. The whole process has been divided into the following 13 states.

State 1: Intention to Buy Online

Firstly, the motivation of the consumer should be defined. The need of a specific product can be the basic motivation for buying it. However, the choice of online shopping mode relates to the consumer's general attitude and familiarity with computers and the Web, prior personal experi-

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