Chapter XVI

An Online Consumer Purchase Decision Cycle

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Abstract

This chapter presents the overall consumer purchase decision cycle and investigates the issues that affect Web users from e-shop selection to product delivery and final assessment of the shopping experience. This process has been divided into three successive stages: outside the e-shop, inside the e-shop, and after sales. Each stage is analyzed on the basis of customer states and transition conditions, while special focus is set on
abandonment factors. The chapter aims to provide a thorough insight to e-shop features that ensure customer satisfaction and those that may result in further enhancement of online shopping. The ultimate objective is to provide guidelines for designing successful e-shops and clarify success and failure factors.

Introduction

The Web is a powerful tool that has changed the way of conducting business providing companies and customers with limitless options and opportunities. 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, there is an emergence of a new consumer type, the online consumer or e-customer that uses the Internet for purchasing products and services (Solomon, 2001). Moreover, the online consumer is empowered with new exciting capabilities: searching globally for solutions (products or services), comparing available options, finding details and additional information, reading opinions of others that have already bought the product/service, and transacting online.

Ensuring e-customer satisfaction is a not a simple task. To a certain degree, e-customers behave online similarly to how they behave off-line, but in order to fully understand e-customer behavior, it is important to understand why people use the Internet for their purchases, the benefits and the 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. Understanding the process of online decision making is important for developing e-business strategies and can provide guidance for deploying adequate marketing (Underhill, 2000). The traditional consumer purchase decision cycle has six stages (Windham & 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 collapsed or skipped.