

## Chapter 1.13

# Online Consumer Behavior

**Ronald E. Goldsmith**  
*Florida State University, USA*

### BACKGROUND

One convenient way of describing consumer behavior both off-line and online is to present the topic as a model representing the steps typical consumers go through when they acquire the goods and services they desire. These steps are Need Recognition, Information Search, Pre-purchase Alternative Evaluation, Purchase, Consumption and Post Consumption Evaluation (Blackwell, Miniard & Engel, 2001). Although not every consumer goes through every step for every purchase, this model is a useful heuristic for organizing the study of consumer behavior and serves as a way to describe online consumer behavior as well.

In the *Need Recognition* stage consumer behavior is stimulated by needs and wants. Needs are the abstract categories that consumers require in order to survive, function and thrive. Wants are the specific objects or mechanisms that consumers learn will enable them to satisfy their needs. Consumer needs are few, universal and inborn. Wants are acquired through individual learning histories defined by the time, place and context

of the consumers' life. Consequently, wants are many, individual and varied. Each consumer is born with the same needs and learns what will satisfy those needs through the experience of being reared within a specific society, time and place. Marketers recognize that consumers have shared needs and seek to develop brands as the specific want-satisfying ways in which consumers can gratify their needs. Table 1 presents a summary of consumer needs and wants (Foxall & Goldsmith, 1997).

Physiological needs derive from the fact that consumers are physiological creatures. The social needs come from the fact that consumers are social animals. Hedonic needs describe the needs consumers have for pleasurable sensations for the five senses. Experiential needs arise because consumers are saturated with feelings and emotions that they constantly seek to modify. Cognitive needs come from the curious, inquiring cerebral cortex that wants to know about its environment. Finally, consumers have egos, a sense of self-identity, they want to express, usually through symbols. Each consumer is born with these mind/body "systems" and spends much time

Table 1. A summary of consumer needs and wants

<u>Needs</u>	<u>Examples</u>	<u>Specific Wants</u>
Physiological	Food, shelter	Sushi, hamburgers, pate <sup>*</sup>
Social	Love, friendship	spouses, club membership
Hedonic	Taste, smell, touch	music, art, perfume
Experiential	Feelings, emotions	movies, TV, plays, concerts
Cognitive	Curiosity	newspapers, books, TV news
Psychological	Self-expression, Self-identity	symbolic products

and energy seeking to satisfy the requirements these systems impose.

Products (goods, services and information) can be multidimensional (Freiden, Goldsmith, Hofacker, & Takacs, 1998). That is, consumption of a given product can simultaneously satisfy more than one need, as buying and wearing an item of clothing protects the wearer from the elements (physiological), attracts the opposite sex (social), is comfortable to the skin (hedonic), makes the wearer feel sexy (experiential) and represents the self-concept and values of the wearer (psychological). Consuming a news magazine might satisfy cognitive needs as well as psychologically symbolic ones; the reader acquires some desired information and shows that he/she is a responsible citizen. Moreover, consumers might buy many different products to satisfy the same needs, as where designer brand names are wanted for clothing, furniture, perfumes and cars to symbolize social status.

This theory of motivation can be used to explain the motivations for participation in virtual communities. Belonging to a virtual community fulfills some of the social need for belonging and fellowship. Group participation can yield feelings of fun, excitement and pleasure. The community can be an important source of information that can satisfy the cognitive need to know. Membership

can be used symbolically to express identity. Thus, much like the consumption of goods, services and information, membership in virtual communities is a motivated behavior, and membership can satisfy several needs simultaneously.

When needs are aroused, consumers often *search for information* to help them make the best choices in satisfying those needs. A lot of information is available. Consumers first search their memories to see if they already possess the needed information. If they need more information, they will search outside sources. The dominant types of external information sources are (1) commercial, (2) third party and (3) personal. Commercial sources include advertising, sales promotion and personal selling. Online, e-tailers can use software-driven recommendation agents to influence the flow of information to buyers (West, Ariely, Bellman, Bradlow, Huber, Johnson, Kahn, Little, & Schkade, 1999). The use of “shopping bots” by consumers to locate and compare products is a major difference between offline and online consumer behavior, one that has important implications for e-tailers and consumer researchers alike (Goldsmith & Goldsmith, 2003). Third-party information can come from governments, consumer agencies or independent research and reporting firms. Personal information is that obtained from friends, family, coworkers and other

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