Consumers’ decision-making process and their online shopping behavior: a clickstream analysis

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Abstract

The objective of this study is to investigate how different online decision-making processes used by consumers influence the complexity of their online shopping behavior. During an online experiment, subjects were asked to perform a shopping task on a website offering product recommendations. Significant differences were observed between subjects’ decision-making process and their online shopping behavior. Subjects who did not consult a product recommendation had a significantly less complex online shopping behavior (e.g., fewer web pages viewed) than subjects who consulted the product recommendation. Surprisingly, no differences were found between the online shopping behavior of subjects who consulted but did not follow the product recommendation and subjects who consulted and followed the product recommendation. Managerial and theoretical implications of these results are provided.

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1. Introduction

The objective of this paper is to investigate how different online decision-making processes used by consumers to make a product choice influence the complexity of their online shopping behavior. When faced with a product selection, consumers are suggested to perform an internal search (e.g., relying on their prior knowledge of brands) and, if necessary, an external search. The latter may comprise activities such as gathering more information about brands and seeking recommendations from relevant others. Thus, different consumers may use different decision-making strategies to make a consumption decision (Olshavsky, 1985; Payne et al., 1993). Furthermore, consumers shopping online may modify or change the way they search for information to take advantage of certain unique characteristics of the Internet (Peterson and Merino, 2003). For instance, the presence of new information sources such as recommender systems, intelligent-agent-based systems and less easily accessible sources offline (e.g., opinions of a large group of consumers on a specific product) may modify the way, in which consumers perform their external information search. In this paper, we investigate the effect of different decision-making processes on consumers’ shopping behavior (e.g., decision time, pages visited, etc.) while performing an online goal-directed activity, namely, the selection of a product.

When applied to the Internet, the effect of various decision-making processes on consumers’ shopping behavior leads to interesting questions. For instance, do consumers who consult and follow an online product recommendation have a less complex shopping behavior than consumers who do not consult or who do consult but
do not follow a recommendation? Answers to such questions have important managerial and theoretical implications. First, they would help marketers maximize the effectiveness and usability of their websites. For instance, if it were known that after they consult an online product recommendation, consumers usually revisit product detail pages, a link from the product recommendation page to these pages would facilitate consumers’ navigation and consequently, their decision-making process. Second, Peterson and Merino (2003) and Cowles et al. (2002) argue that the Internet represents a sufficiently different retail environment where concepts such as consumer information search behavior should be revisited. Thus, by investigating the effect of consumers’ decision-making process on their online shopping behavior, this paper contributes to better understand how consumers search for information and make their decisions online.

2. Literature review

2.1. Product recommendations and decision-making processes

If a product recommendation from an information source is available to consumers, they can either decide not to consult it, consult and follow it, or consult and not follow it. If they decide not to consult the product recommendation, consumers would rely only on their prior knowledge or experience and on other information about the products to make a decision. Thus, they would use an affect referral or an own-based decision making process (Olshavsky, 1985). For the former type of decision-making process, consumers do not base their decisions on an exhaustive evaluation of attributes and/or alternatives, but rather on their past experience. For the latter type, Payne et al. (1993) suggest that consumers can use a variety of heuristics (lexicographic, disjunctive, etc.) that may vary according to the desired decision’s accuracy and the effort that consumers are willing to invest in the particular decision.

If consumers decide to consult and follow the product recommendation, they would use an other-based decision-making process (Olshavsky, 1985; Rosen and Olshavsky, 1987a,b). Here, it is suggested that consumers subcontract either part or all of their decision-making process because they do not have a preferred option or the capacity or the motivation to process information. Solomon (1986) predicates that consumers may use surrogates to act on their behalf for information search, evaluation of options and/or even to carry out transactions. In other-based decision-making processes, the final brand decision comes from a recommendation source.

If consumers decide to consult the product recommendation, but not to follow it, it would represent an owned-based or hybrid decision-making process depending on the extent of the usage of the recommendation in their decision-making process (Olshavsky, 1985; Rosen and Olshavsky, 1987a,b). Consumers that adopt own-based decision-making processes can be influenced by recommendations but do not rely on them exclusively to make decisions. For instance, a consumer may ask a close friend about attributes which are important to consider for a given product (Price and Feick, 1984), but may also gather complementary information from other information sources such as advertising, store visit and salespeople in order to determine the pertinent product attributes to consider. However, if the recommendation plays a greater role in the process, it would be considered a hybrid decision-making process. For instance, Rosen and Olshavsky (1987b) found evidence that consumers use a recommended brand from a trusted information source as a benchmark to evaluate other brands in order to find the best brand available. Finally, Fitzsimons and Lehmann (2001) found that, when consumers decide to go against a product recommendation, they experience decreased satisfaction, increased difficulty and confidence with their product choice.

Thus, overall the shopping behavior of consumers who consult but do not follow a product recommendation should be more complex than those who do not consult a product recommendation since the former base their decision on at least one more piece of information, which is the recommendation. In addition, the shopping behavior of consumers who consult but do not follow a product recommendation should be more extensive and complex than those who do consult and follow a product recommendation since there is a mismatch between the recommendation and the preferred alternative, which leads to more deliberation.

Research has shown that the type of product affects the type of information search and ultimately the decision-making process consumers use to select a product (Bearden and Etzel, 1982; Childers and Rao, 1992; Formisamo et al., 1982; King and Balasubramanian, 1994; Olshavsky and Granbois, 1979). King and Balasubramanian (1994) found that consumers assessing a search product (i.e., for which evaluation is possible prior to purchase) are more likely to use own-based decision-making processes than consumers assessing an experience product and that consumers evaluating an experience product (i.e., for which evaluation is not possible prior to purchase) rely more on other-based and hybrid decision-making processes than consumers assessing a search product. Thus, by influencing the consumers’ decision-making process, the type of product should also influence their shopping behavior.

2.2. Online product recommendations

In light of research on consumers’ use of relevant others in their pre-purchase external search efforts (Olshavsky and Granbois, 1979; Price and Feick, 1984; Rosen and Olshavsky, 1987a,b) and in consideration of the emergence of online information sources providing personalized
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