Online Consumer Behaviour Models: 
A Literature Review

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Abstract
The dynamics of consumer behaviour is ever evolving with continuous technological upgradations. Consumers are in transition state of being an 'e-consumer' with successful diffusion of novel concept of 'online shopping' in the past 3-4 years. A new captivating topic for marketers and researchers has come into existence to understand 'online consumer behaviour'. In order to understand online consumer behaviour, various models and frameworks have been derived by academicians & researchers. These models are composed of different factors which are variable in nature. Since e-commerce and online consumer behaviour are constantly developing phenomenon with technological advancements, the variables are keep on modifying so as the models. The key objective of this exhaustive review is to analyse evolution of online consumer behaviour models associated to the change in variables. This review also facilitates future researchers in understanding and selecting most advanced models based on their relevance of variables in terms factors affecting online consumer buying behaviour. For this study, we reviewed textbooks and research papers published.
Key words: Online shopping, online consumer behaviour model, technology, e-commerce.

Introduction
Online shopping is a method of e-commerce where consumers directly buy goods or services from a seller over the Internet using a web browser. Amazon, Flipkart, Snapdeal are among the top online retailers in India. However, online shopping has evolved over a period of 35 years, but in India the rate of acceptance has accelerated in last decade. The journey of online shopping showcases, an interesting insight, how the emergence of technology constantly shaping the future of online shopping.

Online Shopping: Historical background
1979: Michael Aldrich invented online shopping by connecting a modified domestic TV to a real-time transaction processing computer via a domestic telephone line.
1982: Minitel was introduced in France and was used for online ordering.
Thereafter, subsequent technological innovations emerged in
1994: online banking, the opening of an online pizza shop by Pizza Hut's Netscape's SSL v2 encryption standard for secure data transfer, and Inter Shop's first online shopping system.
1994: The first secure retail transaction over the Web was either by NetMarket and Internet
Online consumer behaviour: Theoretical background
Consumer behaviour is “how consumers think and behave when making purchase decisions.” It is defined as 'the study of understanding how the consumer makes decision about spending his/her limited resources, such as time, effort and money for purchasing. This definition is also applicable in online consumer behaviour except the use of technology in purchase decision. A consumer decision largely influenced by his/her personal, social, psychological and cultural factors as shown in Exhibit no.1

The Digital India programme’s vision is becoming a reality, where today's consumers have the power of taking purchase decisions in their hands. With increased used of smartphones, more and more companies are choosing to start apps for their products/services making decision making process more quick and easy. Based on this major aspects of online consumer behaviour can be summarized as:

- Factors affecting consumer behaviour where shopping online/offline
- Technological factors of shopping online

Exhibit no.1 Factors affecting consumer decision making
Above mentioned factors are under continuous change, the prescriptive of cognitive consumer behaviour model further supports these two aspects as depicted in exhibit no. 2.

**Theory of reasoned action (TRA)**

Icek Ajzen and Martin Fishbein formulated in 1980 the theory of reasoned action (TRA). This resulted from attitude research from the Expectancy Value Models. Ajzen and Fishbein formulated the TRA after trying to estimate the discrepancy between attitude and behaviour. This TRA was related to voluntary behaviour. Later on, behaviour appeared not to be 100% voluntary and under control, this resulted in the addition of perceived behavioural control. With this addition, the theory was called the theory of planned behaviour (TpB). The theory of planned behaviour is a theory which predicts deliberate behaviour, because behaviour can be deliberative and planned.

TAM is based on the theory of reasoned action, Davis (1986). This model suggests that the acceptability of an information system is determined by two main factors: perceived usefulness (PU) and perceived ease of use (PEOU).

Perceived usefulness is defined as being the degree to which a person believes that the use of a system will improve his performance. Perceived ease of use refers to the degree to which a person believes that the use of a system will be effortless.
While conducting this study, finding an integrated, relevant and widely accepted online consumer behaviour model was a challenge. It was found that the base of most of the models were classical theories based of Theory of reasoned action (TRA) and Technology Acceptance Model (TAM).

**Research Methodology**
A selective review of literatures was undertaken to observe the key factors of online consumer behaviour over the period of time. For this study, we reviewed the research papers published from 2002 to 2015, where the change in factors can be easily comprehended.

**Review of Literature**
**Fundamental concepts of online consumer behaviour**
The author's contribution in the field of e-commerce presented the basic concept of marketing-mix which was essential to carry on the activities of web marketing. This new approach of the web-marketing Mix had identified four S elements namely scope, site, synergy and system as shown in exhibit no.
This study addressed the fundamentals of online shopping where the focus was on understanding online shopping process. When it comes to online shopping the common issues such as how do online shoppers describe their online shopping process? Is there a common model of online shopping process? What are the fundamental dimensions of one's online shopping process? How do the underlying dimensions influence online shoppers' satisfaction with their online
purchases? Still the answers of these issues remained undercover. The finding of this study based on in-depth interviews and a follow-up survey identified three common online shopping components: interactivity, transaction, and fulfillment.

**Role of Trust & attitude towards online buying intention**
The author of this study examined the importance of trust from the transaction perspective in e-commerce. The factors that contribute for transaction trust were identified such as easy access to description of products and services, ease of placing orders, order confirmation, order tracking and post-sales service. The essence of this study was development of 'Trust Model' based on key components that were trusted seals, security and financial institutions.

This study is to examine the consumer shopping shift from offline to online store with a theoretical approach. The results showed that attitude played an important role in online purchase intention.

This study reinforced the role trust and commitment in online world. The emphasis was on how websites can be able to gain the trust of the buyers and deliver on the promises to lead to long term customer relationships. This paper also reconsidered the commitment-trust theory (CTT) of associated with online retailing context.

Privacy and security features of the website facilitate inbuilding trust which eventually leads to building bond.

This study investigated factors that impact of trust in e-commerce and presented an integrative trust model. As shown in the exhibit no. 6 the model classified various external factors and internal factors. Trust was the key driver for repeat purchase which ultimately leaded to long term commitment.
Analysis of theories and models
This empirical study was an attempt to find out the acceptance of online shopping and surveyed the relationship between various determinants of TAM. All four hypotheses formed on determinants of TAM were found a positive effect on consumers' intention to shop. The outcome of the study indicating consumers were accepting technology as the PEOU and PU been proved to be meaningful in today's times
This study is an exhaustive collection of various theories and models of technology adoption summarized in systemic and chronological order as mentioned below:
### Constructs/ Determinants of adoption

<table>
<thead>
<tr>
<th>Year</th>
<th>Theory/Model</th>
<th>Developed By</th>
<th>Constructs/ Determinants of adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>Diffusion of innovation theory</td>
<td>Everett Roger</td>
<td>The innovation of communication channels, time Innovation</td>
</tr>
<tr>
<td>1975</td>
<td>Theory of Reasoned Action</td>
<td>Ajzen and Fishbein</td>
<td>Behavioural intention, Attitude (A), and Subjective Norm</td>
</tr>
<tr>
<td>1985</td>
<td>Theory of Planned Behaviour</td>
<td>Ajzen</td>
<td>Behavioural intention, Attitude (A), and Subjective Norm, Perceived Behavioural Control</td>
</tr>
<tr>
<td>1986</td>
<td>Social Cognitive Theory</td>
<td>Bandura</td>
<td>Affect, anxiety</td>
</tr>
<tr>
<td>2000</td>
<td>The Motivation Model</td>
<td>Davis et al</td>
<td>Extrinsic motivation (such as perceived usefulness, perceived ease of use, and subjective norm) and intrinsic motivation (such as perceptions of pleasure and satisfaction)</td>
</tr>
<tr>
<td>2002</td>
<td>Extended TAM2 model</td>
<td>Venkatesh and Davis</td>
<td>Social influence processes (subjective norm, voluntariness and image) and cognitive instrumental processes (job relevance, output quality, result demonstrability and perceived ease of use)</td>
</tr>
<tr>
<td>2003</td>
<td>Unified Theory of Acceptance and Use of Technology (UTAUT)</td>
<td>Venkatesh et al</td>
<td>Performance expectancy, effort expectancy, social influence and facilitating conditions</td>
</tr>
</tbody>
</table>

**The digitisation of everything:**
A research conduct by Ernst and Young (2016), on “The digitisation of everything How organisations must adapt to changing consumer behaviour” was a comprehensive study how the evolution been unfolding. Digitalisation of business is the key to survival in today's times. Companies do not have choice to be a part of a continuous improvement strategy. It took 10 years
for the internet to become a basic part of our daily life but in future will happen at much faster pace. The majority of world's population Generation Y (the generation born in the 1980s and 1990s) who makes potential consumers and companies must address their evolving expectations. A new term has come taken birth 'Prosumer' means consumer who is unusually interested in products/services of a brand and spare time to upload reviews about the product. There is a need to develop end-to-end digital strategies and comprehensive digital operating models that address suppliers and employees just as much as customers. They must decide whether they can transform their existing models, or invent a new model.

**Conclusion**

Online shopping has come out of the apprehension period to a new era of world where everybody wants to part of online world. Primarily the focus was on building 'trust' on online shopping website as there was replacement of salesman of physical place to a new virtual world. Trust leads to change in 'attitude' which influenced purchase intention online. Both these variables have changes over a period of time from 2002 to 2015. The most apparent factors of online consumer behaviour were/are saving on time, money, efforts remain constant motivators. It has been observed there a strong need of a simple integrated model of online consumer behaviour rather than complicated models available. Today's consumer is technology savvy and technology upgrades are self-learned.

**References:**


