

Study Day | Department of Marketing | WU Vienna

Jie Zhang, University of Maryland (US)

May 31st, 2016 | AD.0.090

" Investigating Online Shopping Behavior across Multiple Sessions: Implications for Shopping Cart Abandonment "

Abstract: Online shoppers can and often do break up a given shopping task into multiple shopping sessions, facilitated by a common feature provided by Internet retailers which allow consumers to pick up an old shopping cart and to continue shopping on next visit. Marketers need to take into consideration the interconnections across shopping sessions in order to fully understand shoppers' order and spending decisions. Clickstream data collected from online stores record all shopping sessions, including those during which no purchases were made. Such data contain valuable information about purchase intention and shopping behavior and provide Internet retailers a unique opportunity to improve their understanding and prediction of their shoppers' purchase decisions. In this study, we develop a joint model of online shoppers' cart, order, and spending decisions that takes into account their interdependencies within and across shopping sessions. We demonstrate that our multi-session model helps Internet retailers do a better job in predicting consumers' order and spending decisions than single-session models or models built on data of only purchase outcomes. We also show that ignoring the multi-session nature of online shopping behavior leads to an overestimation of online shopping cart abandonment and misleading recommendations for retailers' retargeting promotion campaigns.