



Editorial

Advances in internet consumer behavior and marketing strategy: Introduction to the special issue

Michel Laroche*

Concordia University

ARTICLE INFO

Article history:

Received 1 February 2009

Received in revised form 1 April 2009

Accepted 1 June 2009

Keywords:

Internet

Consumer behavior

Trust

Virtual communities

e-WOM

Pricing

ABSTRACT

This second special issue of the *Journal of Business Research* on Internet consumer behavior features twelve articles selected from the papers submitted following a call for submissions issued in January 2008. They cover topics related to advances in internet consumer behavior and marketing strategy, and the contributions are regrouped into four broad categories: influence of trust and role of virtual communities; understanding the role of electronic word-of-mouth; understanding consumer reactions to pricing on the internet; consumer issues in marketing strategy. It concludes with future research directions.

© 2009 Elsevier Inc. All rights reserved.

1. Introduction

In January 2008, a call for papers was issued with the following preamble: "The Internet has fundamentally reshaped the way businesses and consumers communicate, interact and transact around the world. Today, e-commerce is big and is here to stay. Internet marketing has become an integral part of marketing strategy. Marketers must understand how customers use the Internet to make decisions, select brands and transact with Internet providers. This special issue aims at developing new knowledge, models and theories on Internet customer behavior from the point of view of both B2C and B2B e-commerce."

The main reason for this initiative was the paucity in 2008 of articles on internet customer behavior in the *Journal of Business Research (JBR)* during the previous 10 years. The initial call for submission received a very enthusiastic response from an international pool of authors interested in the suggested topic. After several rounds of reviews and the help of about 110 reviewers, 25 articles were selected for the special issue, which was divided into two parts: the first part, published in a previous issue, regrouped articles dealing with new developments in modeling internet consumer behavior; the second part, published in this issue, includes articles contributing knowledge in a variety of topics related to internet consumer behavior and marketing strategy.

The 12 articles selected for this second issue can be regrouped into four broad categories:

1. Understanding the influence of trust and the role of virtual communities

In the first article, Patrick McCole, Elaine Ramsey, and John Williams (*Trust considerations on attitudes towards online purchasing: The moderating effect of privacy and security concerns*) examined the relationships between three trust dimensions, i.e., vendor, internet and third parties, and attitudes towards online purchasing. They incorporated privacy and security concerns as moderating variables and found that these relationships depended on concerns when shopping online. They also reported that fears surrounding the Internet hindered its uses for e-commerce purposes, but that the presence of a reputable agent mitigated the perceived risks. In business-to-consumer relationships, trust in the vendor was important for consumer in accepting any risk associated with a transaction.

In the second article, Jyh-Jeng Wu, Ying-Hueih Chen, and Yu-Shuo Chung (*Trust factors influencing virtual community members: A study of transaction communities*) investigated the driving forces that cultivate both trust and returning behavior of virtual community members. In particular, they examined the influence of shared values, satisfaction with past interactions, and website privacy policies on the trust of virtual community members. They found that shared values of virtual community members have a positive impact on trust and relationship commitment; that satisfaction with past interactions increased trust in

* Royal Bank Distinguished Professor of Marketing, John Molson School of Business, Concordia University, 1455 de Maisonneuve West, Montreal, Quebec Canada H3G 1M8.
E-mail address: laroche@jmsb.concordia.ca.

virtual community members, but also enhanced relationship commitment and member stickiness; that website privacy policies enhanced trust; and that trust had a significant effect on stickiness and commitment of virtual community members.

Finally, Kimmy Wa Chan, and Stella Yiyan Li (*Understanding consumer-to-consumer interactions in virtual communities: The salience of reciprocity*) adopted resource exchange theory to study how structural and experiential interactivity influenced reciprocity, affect commitment and co-shopping. They used netnography and online surveys to test the significant effects of structural and experiential interactivity on reciprocity. Reciprocity affected social system maintenance by enhancing commitment to the community and intention to co-shop. Also, the findings identified partially mediated relationships among various variables, and the effects of experiential interactivity on VC commitment and co-shopping operated partly through reciprocity.

2. Understanding the role of electronic word-of-mouth (e-WOM)

In the first article, Pranjal Gupta and Judy Harris (*The influence of e-WOM recommendations on product consideration and quality of choice: A motivation to process information perspective*) studied the effects of electronic word-of-mouth (e-WOM) on consumer consideration and selection of an experience product. They manipulated the number of recommendations and the optimality of the recommended product in a realistic online shopping environment. They found that e-WOM resulted in more time spent on the recommended product. For consumers motivated to process information, e-WOM recommendations led to more time spent on the choice task. Consumers less motivated to process information made sub-optimal decisions based on e-WOM recommendations. Consumers motivated to process information accepted recommendations, switched from attribute preferences, and chose only optimal products.

In the second article, Jun Yang and Enping (Shirley) Mai (*Experiential goods with network externalities effects: An empirical study of online rating system*) used reviews from online users and sales information to study a new experiential product, namely online video games (or virtual worlds). They found that for hedonic products such as online video games, availability of online reviews did not transform experience attributes into search ones. They also found that negative word-of-mouth had a more significant impact than positive reviews. Finally, they established that the existence of direct network externalities (i.e., a product's value increased when more people joined the network) was crucial for hedonic products. The size of the user base signaled the quality of the game, worked like a search attribute for potential users, and reduced the negative impact of unfavorable reviews.

Finally, Carolyn Bonifield, Catherine Cole, and Randall L. Schultz (*Product returns on the Internet: A case of mixed signals?*) investigated the relationship between return policy leniency and retailer perceived quality. First, they content analyzed the return policies of randomly selected e-tailers using BizRate.com; and related return policy characteristics to quality ratings. Supporting signaling theory, they found that as the ratings of e-tailer quality increased, return policy leniency increased for non-consumable product categories, but not for consumable ones. In a follow-up experiment, they investigated how consumers interpreted the return policy signals, and found that consumers' ability to control their shopping experience and general trust of e-tailers moderated their reactions to return policies differing in leniency.

3. Understanding consumer reactions to pricing on the internet

In the first article, Ellen Garbarino, and Sarah Maxwell (*Consumer response to norm breaking pricing events in e-commerce*) studied how norms predicted consumer responses to differential pricing that either violated an established pricing norm (i.e., dynamic posted pricing; setting prices based on demand) or not (i.e., retailers pricing differently). Their findings supported the critical role of norms, i.e., beliefs in norms were strong predictors of negative responses (i.e., fairness, trust, purchase, search and complaint intentions) and priming people to

consider norms increased the negative responses. They also found that prior trust in the firm acted as a partial buffer against negative responses to norm breaking but at a diminishing rate as prior trust increased.

In the second article, Hsunchi Chu and Shuling Liao (*Buying while expecting to sell: The economic psychology of online resale*) applied the principles of mental accounting to develop and evaluate external resale reference price (ERRP) which may influence consumer resale and purchase intentions. They investigated how online sellers' economic psychology of buying affected their expectations of future online resale outcomes. They found that awareness of future online resale potential influenced purchase decisions; ERRP, mediated by estimated resale returns, increased purchase intentions; and the effects of ERRP on purchase intentions were moderated by online resale likelihood, but were minimal when consumers were aware that resale possibility was extremely low.

4. Consumer issues in marketing strategy

In the first article, Tulay Girard and Paul Dion (*Validating the search, experience, and credence product classification framework*) tested whether the product classification framework – Search, Experience (2 levels), and Credence (SEC) – influenced importance placed on retailer-attributes, types of perceived risks, and patronage-intentions for two retailer types, i.e., Internet and brick-and-mortar stores. They found that the SEC-products influenced perceived risk perceptions, and purchase-intentions for online and brick-and-mortar stores. The importance of retailer-attributes was equally significant across the four product classes. Also, perceived risk increased across the four product classes. Finally, patronage intentions for Internet and brick-and-mortar stores differed significantly across the four product classes. This article helps understand the implications of the SEC classification on consumers' reactions to online and offline stores, echoing some of Klein's (1998) recommendations.

In the second article, Maria Ek Styvén (*The need to touch: Exploring the link between music involvement and tangibility preference*) first tested a research model of preference for tangible music formats and then developed a segmentation based on music involvement. She found that high music involvement was positively correlated with subjective music knowledge, tangibility preference, and portable player use. Music involvement increased music consumption in all formats, tangible and intangible, but high involvement was connected to perceptions that tangible records were more valuable. For highly involved consumers, digital music was not necessarily eliminating physical formats but fulfilled different needs, such as sampling and complementing vs. collecting and displaying. Because of the nature of the internet, this article contributes to understanding how intangibility influences consumer behavior. However, intangibility was operationalized as a dichotomous variable, not a continuous one which might provide finer distinctions (Laroche et al., 2004).

In the third article, Kevin J. Shanahan and Michael R. Hyman (*Motivators and enablers of SCOURing: A study of online piracy in the US and UK*) studied Sharing Copyrighted or Unauthorized Replications (SCOURing), an illegal activity. They conducted an empirical study among US and UK consumers, and they found that SCOURing was explained by motivations (i.e., justification, believed pervasiveness by peers, believed risklessness, and experiential reasons) and ability (i.e., tech-savviness). They concluded that efforts by companies to reduce SCOURing by legal action or by trying to educate consumers may be ineffective.

Finally, Albert Caruana and Michael T. Ewing (*The influence of corporate reputation, quality and value on online loyalty*) conducted a study among customers of two online vendors (books and company shares) to answer some basic questions about the role of corporate reputation on online loyalty, such as: why should customers prefer one online retailer over another and how do perceived quality and value influence online loyalty? They found that corporate reputation played a pivotal role in their model, directly affecting online loyalty and partially

mediating the effects of customer service and perceived value on loyalty. Another interesting finding is the direct effect of website design on online loyalty, confirming some of the previous work on website atmospherics (Gounaris et al., in press; Richard, 2005; Wang et al., in press).

2. Conclusions

The articles in this second special issue contribute significantly to the development of new knowledge, models and theories on Internet customer behavior, the aims of the original call for papers.

In addition to the variables identified by the authors of these articles, future researchers should look at developing knowledge along the following lines, among others:

1. Further develop the role of trust in online vendors, its antecedents and consequences and expand on the types of concerns consumer may have about doing transactions online.
2. Develop more studies on the types, nature and functioning of virtual communities, and how firms may use this knowledge.
3. Further develop our understanding of pricing issues and online auctions on the Internet.
4. Further refine the use of tangibility as a continuous and multidimensional scale to explain consumer reactions to various internet goods and services.
5. Further examine the role of various product classifications on models of online consumer behavior.
6. Explore more of the legal issues involved with the Internet and their marketing implications.
7. Further refine the strategic role played by corporate websites.

I hope that this special issue and the previous one will stimulate more research in this area and lead to a better understanding and modeling of online consumer behavior as well as more effective marketing strategies using the Internet.

Finally, I am extremely grateful to all the reviewers who kindly provided authors with very constructive comments and suggestions: Arsel, Zeynep (Concordia), Baker, Thomas (Clemson), Beatty, Sharon (Alabama), Belk, Russell (York), Boeck, Harold (Sherbrooke), Boles, James (Georgia State), Caruana, Albert (Malta), Chan, Kimmy (HK

Polytechnic), Chebat, Jean-Charles (HEC Montreal), Cheema, Amar (Washington, St. Louis), Chéron, Emmanuel (Sophia), Commuri, Suraj (SUNY, Albany), Coyle, James R. (Miami, Ohio), Darke, Peter (York), Dastous, Alain (HEC Montreal), Ewing, Michael T. (Monash), Fischer, Eileen (York), Flaherty, Theresa (James Madison), Fournier, Christophe (IUT Montpellier), Griffin, Mitch (Bradley), Gupta, Pranjal (Tampa), Ho, Jason (Simon Fraser), Javalgi, Rajshekhar (Cleveland State), Jedidi, Kamel (Columbia), Joshi, Ashwin (York), Joy, Annama (British Columbia, Okenagan), Kalamas, Maria (Kennesaw State), Kannan, P.K. (Maryland), Katsanis, Lea (Concordia), Kim, Hakkyun (Concordia), Kukar-Kinney, Monika (Richmond), Lala, Vishal (Pace), Leigh, James (Texas A&M), Lewin, Jeffrey (North Texas), Li, Tieshan (Concordia), Long, Mary (Pace), McDougall, Gordon (Wilfrid Laurier), O'Connor, Tom (New Orleans), Ortau, David (South Florida), Ouellet, Jean-François (HEC Montreal), Papadopoulos, Nicolas (Carleton), Pires, Guilherme (Newcastle), Punj, Girish (Connecticut), Ramsey, Elaine (Ulster), Rao, P.M. (Long Island), Richard, Marie-Odile (Montreal), Rojas, José (Carleton), Sénécal, Sylvain (HEC Montreal), Shanahan, Kevin (Mississippi State), Shea, Linda (UMass, Amherst), Singh, Sangeeta (Norwegian School), Spielmann, Nathalie (Concordia), Takahashi, Ikuo (Keio), Thakur, Ramendra (Louisiana, Lafayette), Timmermans, Harry (EIRASS), Vasquez, Arturo (Texas, Pan American), Walsh, Darlene (Concordia), Wilkinson, Timothy (Montana State), Wilson, Hugh (Cranfield).

Acknowledgements

The author is very grateful to Arch G. Woodside for his enthusiastic support of this special issue.

References

- Gounaris S, Koritos S, Vassilikopoulou K. Person–place congruency in the internet banking context. *J Bus Res* 2010 (in press).
- Klein LR. Evaluating the potential of interactive media through a new lens: Search versus experience goods. *J Bus Res* 1998;41(3):195–203.
- Laroche M, McDougall GHG, Bergeron J, Yang Z. Exploring how intangibility affects perceived risk. *J Service Res* 2004;6(4):373–89.
- Richard MO. Modeling the impact of internet atmospherics on surfer behavior. *J Bus Res* 2005;58(12):1632–42.
- Wang YJ, Hernandez MD, Minor MS. The effects of web aesthetics on perceived online service quality and satisfaction in an e-tail environment: The moderating role of purchase task. *J Bus Res* 2010 (in press).