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The impact of consumer archetypes on online purchase decision-making processes and outcomes: A behavioural process perspective

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ABSTRACT

This study investigates differences in online purchase behaviour between consumer archetypes. It shows how consumers' decision-making styles and product knowledge define distinct archetypal behaviour that shapes online purchase processes and affects decision-related outcomes: satisfaction with choice; and satisfaction with process. The first study proposes a new modelling approach that creates an accurate representation of decision-making behaviour. Using this method, a clear structure that underlies seemingly chaotic purchase processes is identified. This structure offers an analytical tool capable of capturing behavioural differences between archetypes. The results show that decision-making style and product knowledge affect the structure and complexity of decision-making processes. The second study found that consumers with higher product knowledge are more satisfied with decision-making process and that this relationship is mediated by the duration of decision-making. Maximizers are more satisfied with their choice than satisficers, and this relationship is mediated by the number of alternatives that are evaluated.

1. Introduction

The availability of large amounts of online information makes the consumer purchase decision-making process a laborious and frustrating task (Hölscher & Strube, 2000). To cope with a large number of choices and a large amount of information from a range of different online sources (Hall, Hall, Towers, & Towers, 2017), consumers adopt suitable decision-making strategies (Bettman & Zins, 1979; Payne, Bettman, & Johnson, 1991). They continuously adapt their decision strategies and change the trajectory of their decision pathways in response to exposure to new information, resulting in dynamic purchase processes. Consumers construct these processes through a series of behavioural choices. Distinctive decision-making patterns are therefore expected to reflect the characteristics of different consumer segments. Literature on online consumer decision-making suggests that individual characteristics can explain behavioural variations (Darley, Blankson, & Luethge, 2010; Smith & Rupp, 2003) but there is little empirical evidence to test or support this assertion. Previous research has mainly focused on demographic factors (Hall et al., 2017; Ranaweera, McDougall, & Bansal, 2005) and web experience characteristics (Frambach, Roest, & Krishnan, 2007). However, online consumers “differ in important ways above and beyond demographics and webographics” (Brenngman,

Geuens, Weijters, Smith, & Swinyard, 2005), e.g. motivational drives and personality traits (Morrison, Cheong, & McMillan, 2013), subjective knowledge (Brucks, 1985) and decision-making style (Karimi, Papamichail, & Holland, 2015).

Inner capabilities and motivation of decision makers influence their chosen decision strategies (Payne, Bettman, & Johnson, 1993). Consumers' knowledge of product and maximization tendency, as two individual characteristics that pertain to inner capacity and motivation to locate the best option, shape their purchase decision-making behaviour; which ultimately determines their satisfaction with the choice and process (Heitmman, Lehmann, & Herrmann, 2007). Based on decision-making style and knowledge, four archetypes of consumers can be identified (satisficer/maximizer and low/high level of knowledge). Previous research has explored the effects of consumer archetypes on process-related outcomes. For example, Karimi et al. (2015) showed that knowledge of product and maximization tendency affect process-related outcomes such as number of cycles, duration, number of evaluated alternatives and number of criteria considered. However, they did not address how the decision-making process unfolds, i.e. the underlying mechanics of the process for each consumer archetype. Furthermore, there is little known about the way in which consumer archetypes affect decision-related outcomes such as consumer satisfaction

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(Kamis, Koufaris, & Stern, 2008). This work addresses these limitations by conducting two studies. The first study expands on Karimi et al. (2015) and presents further analysis of consumer decision-making processes to illustrate the underlying behavioural patterns of the archetypes in a diagrammatic form. The second study was then designed to examine decision-related outcomes using a new sample.

In the first study, the impact of consumer archetypes on purchase process patterns is examined. Video-based data collection techniques recorded an extremely high level of behavioural detail and a process-based, structured modelling approach was used to capture the decision-making processes. This work extends the study by Karimi et al. (2015) by identifying a new concept of decision-making phases, which is a novel framework that encapsulates the dynamic and iterative characteristics of the process. Phases are a higher-level construct than behavioural roles in traditional models of consumer decision-making behaviour. The framework was applied to four archetypes from which we would expect divergent decision-making behaviour. This was important because it enabled us to test (a) whether the phase model has utility in general, and (b) whether the phase model is effective at identifying differences between consumer segments. A clear structure that underlies highly iterative and chaotic purchase processes was found and distinctive decision-making patterns for each of the four archetypes were identified. This study uncovers granular level decision-making behaviour of consumers and illuminates behavioural differences in a holistic but highly detailed manner, which has previously been veiled by commonly used experimental methods. It contributes to marketing and decision-making research in two ways. It captures identifiable differences in decision flows for each consumer archetype and introduces a phase model that relates granular level decision-making behaviour to a higher-level structure of inter-linked phase diagrams.

In the second study, our focus moves to decision-related outcomes, which is a crucial but under-researched area (Kamis et al., 2008). Two decision outcome variables that are related to consumers' experiences of the search and buying process are studied: satisfaction with the choice and satisfaction with the decision-making process (Gu, Botti, & Faro, 2013; McKinney & Yoon, 2002). We examine how consumer archetypes explain decision outcomes by influencing online purchase behaviour measured by time duration and number of evaluated alternatives. Two contributions are made. First, we show that decision-making style and knowledge of product affect satisfaction with the choice and satisfaction with the process, respectively. The mediating mechanisms that motivate these relationships are diverse. That is, consumer satisfaction with choice is formed by higher confidence in the choice and is associated with a larger number of alternatives that maximizers evaluate. Satisfaction with the process is reduced by a longer duration of decision-making, which is caused by a low level of product knowledge. Second, further evidence for conceptual differences between the two types of satisfaction is provided.

2. Theoretical foundation

2.1. Purchase process flow

Consumer online purchase decision-making is a dynamic process that comprises different stages. The traditional model of purchase decision-making process (Engel, Kollat, & Blackwell, 1968; Howard & Jagdish, 1969) includes five stages: problem recognition; information search; evaluation of alternatives; purchase decision; and post-purchase behaviour (Fig. 1).

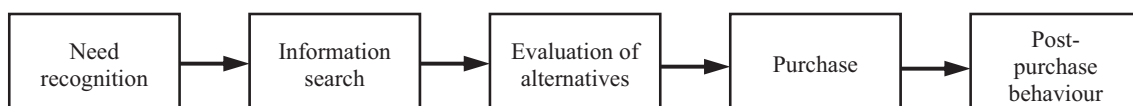


Fig. 1. Stages of online purchase decision-making process.

This model is the most commonly used framework of consumer purchase behaviour and has been widely used in consumer research. The model's individual elements are treated as discrete stages, and customers move from one stage to the next, eventually making a purchase decision. However, in the decision-making literature, it is recognised that decision makers are flexible and construct decision-making processes as they adapt and respond to decision tasks (Bettman, Luce, & Payne, 1998; Payne, Bettman, & Johnson, 1988). Adaptive decision-making changes the structure of the decision problem so that each decision maker devises different processes. Individuals therefore create more complex process flows and follow different pathways through the model. Process instances often show divergences from the main route as consumers skip, add and reorder the process steps (Dorn, Burkhart, Werth, & Dustdar, 2010; Langley, 1999). The actual process path is entirely selected at run-time. Although consumers use the stages of the traditional model, the stages do not actually represent clearly defined steps of the process because of iterations between stages. Consumers constantly move between stages, which leads to spaghetti shaped processes that, prima facie, do not have a clear structure and appear chaotic (Karimi, Papamichail, & Holland, 2014). In summary, the stage model does not accurately represent the complexity of the actual decision-making processes of consumers because the stages concept is too simplistic and does not represent variations in the process flow. It is therefore important to find better ways of modelling and analysing purchase decisions. This research uses elements of the stage model and applies modelling techniques from the Information Systems literature to uncover a structure behind the complex and iterative decision-making processes.

2.2. Impact of consumer characteristics on decision-making process flow

Differences in individual consumer characteristics mean that purchase decision-making processes are not deterministic (Volkner & Werners, 2002) but are highly related to the characteristics of the decision-maker (Chowdhury, Ratneshwar, & Mohanty, 2009; Ranaweera et al., 2005; Simonson & Nowlis, 2000). Consumers exhibit different patterns in their decision making based on their characteristics (Bhatnagar & Ghose, 2004). Prior research indicates that purchase processes are influenced by consumers' decision-making style and knowledge of product (Karimi et al., 2015). These individual characteristics define the motivation and capabilities of consumers (Heitmann et al., 2007) and can therefore explain differences in decision behaviour. For example, maximizers and those with low level of knowledge perform more cycles in their decision-making processes, compared to satisficers and those with high level of knowledge (Karimi et al., 2015). However, differences in the patterns and flows of these cycles are not known. Understanding how online consumers construct the purchase decision-making process is crucial to marketers as consumer can choose to exit the purchase path at any given time (Srinivasan, Rutz, & Pauwels, 2016). This research examines the purchase decision-making process for each archetype from a behavioural perspective.

Decision-making style is a “macro-motivational construct” which affects the purchase decision process (Chowdhury et al., 2009). Individuals differ in their decision-making style (maximizers and satisficers) and the amount of effort and resources they allocate to a decision process. They therefore follow different decision-making paths (Schwartz et al., 2002). Maximizers have a tendency to find the best possible option and are motivated to perform intensive information

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