



Shopping value in online auctions: Their antecedents and outcomes

Min-Young Lee^{a,*}, Youn-Kyung Kim^b, Ann Fairhurst^b

^a Department of Merchandising, Apparel and Textiles, University of Kentucky, 308 Erikson Hall, Lexington, KY 40506, USA

^b Department of Retail, Hospitality, and Tourism Management, University of Tennessee, 110 Jessie Harris Building, Knoxville, TN 37996-1911, USA

ARTICLE INFO

Keywords:

Online auctions
Consumer characteristics
Shopping value

ABSTRACT

Online auctions present unique characteristics in the consumer decision-making process that raise new issues related to consumer shopping behaviors in auction-based purchases. The present research examined the relationship between consumer characteristics (i.e., compulsive buying behavior, variety-seeking tendency, and price sensitivity) and shopping value (i.e., utilitarian and hedonic) in online auctions and found that both compulsive buying behavior and variety-seeking tendency are critical factors of shopping value in the online auction environment. There were no positive relationships between price sensitivity and shopping value. The results of this study also revealed that consumers' shopping value positively influenced their preference, which, in turn, formed behavioral intentions in online auctions. While utilitarian value was found to be a significant predictor of behavioral intentions, hedonic value was not. However, hedonic value influenced intentions indirectly through preference.

© 2008 Elsevier Ltd. All rights reserved.

1. Introduction

Online auctions have become one of the greatest successes of the Internet. The success of online auctions has not diminished even after many other web-based services have lost their initial popularity. eBay, the largest online auction site with 10 million visitors, consistently ranks as one of the most visited sites on the Web (Zhang, 2006).

The primary role of an auction site is to serve as intermediary between buyers and sellers (Turban, 1997). Although the host of the auction site (the auctioneer) can also be the seller, the auctioneer, in most cases, merely provides the institutional basis for the exchange by establishing the “electronic trading system” (Klein, 1997). In short, an online auction creates an electronically established marketplace capable of matching a multitude of interested buyers and sellers (Standifird, 2002).

Online auction researchers have addressed trust issues devoted to the effects of reputation systems on online auctions (i.e., online auction feedback) (Johnston, 2003; Weinberg and Davis, 2005; Zhang, 2006) and consumer decision dynamics such as effects of photographs/images of an auction item (Vishwanath, 2004), an opening bid amount (Suter and Hardesty, 2005; Walley and Fortin, 2005), an auction length (Wood et al., 2005), and reserve price and reserve disclosure (Bajari and Hortaçsu, 2003) on final prices. Other researchers focused on bidding behavior such as the impact of alternative buying options (e.g., eBay Buy-It-Now) on bidding behavior (Standifird et al., 2005), and effects of consumer

characteristics and individual motivations on bidding behavior (Cameron and Galloway, 2005). Researchers also examined over-bidding behavior based on emotions (Ockenfels and Selten, 2005) and winners curse (Kagel and Levin, 2001). Recently, many researchers discussed auction fever (Heyman et al., 2004; Ku et al., 2005), which is thought to be “an excited and competitive state-of-mind, in which the thrill of competing against other bidders increases a bidders' willingness to pay in an auction” (Ockenfels et al., 2006, p. 23). Problematic behaviors related to auction fever have been addressed such as compulsive consumption, compulsive gambling, and Internet addiction by Peters and Bodkin (2007).

Despite the growing interest in online auction research, there is a lack of understanding of target consumers and their shopping value resulting from shopping experience. According to Pinker et al. (2003), no systematic research has proven that participants enjoy shopping benefits of online auctions and thus future research needs to examine auction participants' responses to shopping value in online auctions. Assessment of consumer shopping value and its relationship with behavioral consequences (e.g., loyalty, preference, satisfaction and intentions) will contribute to the success of this new shopping medium.

Previous research has shown that consumer shopping value in online auctions can be explained by consumer characteristics. Chan et al. (2007) noted that individual shopping characteristics influence bidder attitudes and behavior. Among these individual shopping characteristics, compulsive buying behavior, variety-seeking tendency, and price sensitivity influence shopping value in online auctions (Gregg and Walczak, 2003; Vishwanath and Barnett, 2005; Peters and Bodkin, 2007). Most of online auction consumers exhibit compulsive buying behavior because they lose

* Corresponding author. Tel.: +1859 257 7191; fax: +1859 257 1275.
E-mail address: mlee6@uky.edu (M.-Y. Lee).

track of time while engaged, spend far more money than they initially intended, and end up purchasing a significant amount of items that are not necessary to them (Peters and Bodkin, 2007). This phenomenon can be explained as auction fever caused by competition and attachment (Heyman et al., 2004; Ku et al., 2005). At the same time, a substantial number of items with huge variations in online auctions including rare and unusual items entice variety seekers. Price sensitivity also plays a role in online auction shopping because price-sensitive consumers bid at the auction to acquire quality items with good deals.

The present study is designed to contribute insights to the success of the online auction business in two main ways. First, this study will test the relevancy of the model of value, preference, and intentions (Overby and Lee, 2006) in an online auction setting. It will determine whether consumer preference toward online auction sites mediates shopping values and behavioral intentions (Dodds et al., 1991; Bagozzi, 1992). Second, it aims to discover the impact of consumer characteristics in shaping shopping values in online auctions.

2. Theoretical backgrounds

The dynamics of consumers' behavior in the online auction context can be better understood by assessing shopping values in conjunction with their antecedents and outcomes (Babin et al., 1994; Overby and Lee, 2006). The framework of this study is based on Overby and Lee's (2006) model of value, preference, and intentions. Online auction shopping values will be explained by three consumer characteristics: compulsive buying behavior, variety seeking, and price sensitivity.

2.1. Value, preference, and intention

Value is one of the most powerful forces in the marketplace to understand consumer behavior (Zeithaml, 1988; Dodds et al., 1991; Holbrook, 1996). Value originates from the confrontation between what the customer receives (e.g. quality, benefits, worth, utilities) and what he or she gives up to acquire the benefits (e.g. price, sacrifices) (Zeithaml, 1988) and thus is defined as a consumer's overall judgment of benefits and sacrifices (Overby and Lee, 2006). Value plays an important role in predicting customers' choice and future repurchase intentions (Zeithaml, 1988; Dodds et al., 1991; Holbrook, 1996). Thus, value judgment creates consumer preference and this consumer preference increases behavioral intention to participate in various shopping processes (Cronin et al., 2000; Overby and Lee, 2006).

Hirschman (1984) asserted that all shopping experiences involve the stimulation of thoughts and/or senses and that they accordingly may be viewed as a process that provides the individual with cognitive (utilitarian) and affective (hedonic) benefits. More specifically, tangible attributes of goods and services provide input to cognitive process and is closely related to assessments of utilitarian value (Cottet et al., 2006). Thus, a consumer receives utilitarian shopping value when he or she obtains the needed product, and this value increases as the consumer obtains the product more effortlessly (Babin et al., 1994). Abstract characteristics of goods and services can contribute to affective elements in shopping and are closely related to hedonic value (Cottet et al., 2006). In a similar context, Babin et al. (1994) defined hedonic shopping value as perceived entertainment and emotional worth provided through shopping activities. These two components, hedonic and utilitarian, of value form a preference for the retailer. As Bloch and Bruce (1984) stated, consumers obtain hedonic value as well as task-related or product acquisition value during the shopping experience. Ghosh and

McLafferty (1987) also contended that the value a consumer receives from shopping at a particular store is often determined jointly by the quality of the shopping experience as well as price.

Preference is a critical component to activate and reinforce behavioral intentions (Mittal et al., 1999; Overby and Lee, 2006). Behavioral intentions, although they can change over time or in various situations, become stronger when they are linked to preference because preference is obtained through accumulated consumer experience and satisfaction (Mittal et al., 1999). Hence, preference is placed as a mediator between shopping value and behavioral intentions in this study.

2.2. Consumer characteristics

Interest in the role of consumer characteristics in shopping behavior has fluctuated during the past century. Early research suggested consumer characteristics as primary influences on consumer behavior (Murray, 1938). Later, individual differences fell out of favor and situational and cognitive variables were considered important factors that influenced shopping behavior (Mischel, 1968; Campbell and Pritchard, 1976); however, individual differences have regained interest in that they are influential to shopping evaluation.

Several studies have found the relationship between consumer characteristics and online consumer behavior. According to LaRose and Eastin (2002), self-regulating ability relates to the likelihood of online shopping; people who have limited self-regulating ability tend to use online shopping because its sensory stimulation is easily assessable at all times. Bosnjak et al. (2007) found that only affective involvement, but not cognitive involvement, is a significant determinant of intentions to purchase online. Donthu and Garcia (1999) discovered significant differences in a variety of psychological constructs between Internet shoppers and non-Internet shoppers. For instance, Internet shoppers are more compulsive and are more likely to be variety seekers than non-Internet-shoppers are.

Several researchers alluded consumer characteristics such as compulsive behavior, variety-seeking tendency and price sensitivity as possible significant factors of online auction behavior. Peters and Bodkin's (2007) finding indicated that many online auction consumption behaviors are related to compulsive buying behavior ranging from potentially abusive activities to chronic addition. Zhang (2006) revealed that variety-seeking consumers use an online auction because it allows them to acquire a desired item in a quick and efficient manner resulting from easy access, handy searching, and instantaneous information updates. As one example, an individual searching for a replacement part for a motorcycle no longer in production may find the part in an online auction site (Standifird et al., 2005). Hossain and Morgan (2006) tested price sensitivity of consumers regarding minimum bid amount and shipping cost, which are important indicators to predict final prices. Ariely and Simonson (2003) found that consumers are more sensitive to minimum bid amounts than shipping costs. Overall, this literature describes information on individual differences in online auction shopping behavior; however, these differences have not been linked to shopping values of online auctions (Fig. 1).

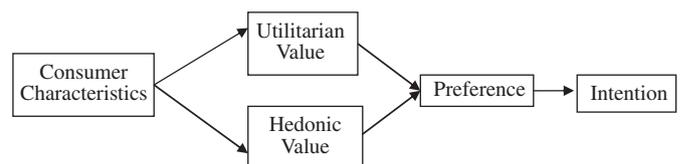


Fig. 1. Conceptual framework.

Download English Version:

<https://daneshyari.com/en/article/1029549>

Download Persian Version:

<https://daneshyari.com/article/1029549>

[Daneshyari.com](https://daneshyari.com)