



Product and channel-related risk and involvement in online contexts

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ABSTRACT

Activities aimed at reducing risk perception, strengthening consumer involvement and winning consumer loyalty are perhaps more difficult in an online context than in an off-line context due to the peculiar characteristics of online purchasing. This paper sets out to model the effect that certain consumer profile characteristics and three types of risk – social risk, channel risk and transaction risk – have on determining the buyer involvement toward the channel and toward the products or services, as well as their effects on purchase intention. Our results confirm that risk dimensions are interrelated, as are involvement dimensions, that social risk is closely related to involvement, and that frequency of purchase and buyer profiles affect involvement toward the online channel. They also give rise to a set of recommendations on the promotion of Internet commerce.

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1. Introduction

The development of new information technologies (IT) is fast turning the Internet into a commonplace means of interpersonal communication and online buying and selling (Heim and Sinha, 2005). Among other aspects, online purchase intentions depend on consumer involvement toward the purchase and toward the product or service that is acquired, and also on the perceived risk in online purchase. There are a range of risks associated with an online purchase; it is impossible for the buyer to appreciate the quality of the product, there is no personal contact with a salesperson, various learning costs are associated with Internet use, and it implies a change of channel as well as the absence of personal interaction with other buyers. However, not all consumers perceive the same levels of risk, nor do they show the same involvement in the purchase, as such differences are partially determined by variables such as frequency of purchase and individual personality traits. Lack of trust is one of the most prominent barriers to the growth of electronic commerce (Corbitt et al., 2003).

The objective of this work is to study certain key determinants of involvement in an online context, while taking different dimensions of involvement and of risk into account as well as important variables of the online buyer's profile. Thus, this study seeks to contribute to the literature on electronic commerce by studying the separate effects of two classic concepts: perceived risk toward the channel and the products and services on offer; and involve-

ment, in association with the channel and with the products or services on offer. Likewise, the different dimensions of risk and of involvement are related to consumer profile.

Specifically, this study intends to address the following research questions:

- What are the dimensions of online risk and online involvement?
- Is there a relationship between involvement toward the online channel and involvement toward online products and services?
- How does an online buyer's profile influence consumer involvement toward the online channel and online products and services?
- What are the relationships between risk, involvement and repeat purchase intention?

In conducting this study, we sought to understand the relationships between the dimensions of perceived risk and the dimensions of involvement when buying online. Although researchers have explored each of these variables in numerous studies, no previous research has analyzed the two proposed dimensions of involvement (towards the channel and towards the products and services), nor the relationships between online buyers' profile, risk and involvement. The use of structural equation models (SEM) will help us to analyze simultaneously the relation between all these variables. Thus, the main contribution to the literature is to offer a general model in which repeat purchase intention derives from the conjoint effect of involvement towards the channel and involvement towards the products and services, whereas risk in the channel, social risk and buyer profile act as essential

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determinants of involvement. Moreover, this study considers, in an exploratory manner, the possible influence of demographic variables in the model.

In order to achieve our objectives, the following section reviews the key variable in this work: involvement with online purchase. Involvement is firstly characterized as a multidimensional concept, before we go onto study its main determining factors and consequences. We examine three types of risk and certain characteristics of consumer profile that contribute to involvement and to purchase intention. Section 3, which focuses on the details of the empirical study, deals with the proposed hypotheses and global model. Finally, Section 4 discusses the findings of our study, and highlights the main theoretical and practical implications that arise from its results, as well as from its limitations and future lines of research.

2. Involvement with online purchase: antecedents and consequences

In recent decades, involvement has been studied by numerous authors as a moderating variable of individual behaviour. When applied in a transactional context, individuals are likely to behave in different ways before making a purchase decision due to their different levels of involvement (Dholakia, 2001). For example, an involved consumer that receives advance information might well evaluate it in a more critical way (Celsi and Olson, 1988). Likewise, individual involvement determines the duration, the intensity and the complexity of the purchase decision process (Howard and Sheth, 1969).

The concept of involvement is an important and controversial issue in marketing research (Andrews et al., 1990) for which multiple definitions exist (Chérif, 2001): Krugman (1965, p. 584) defined involvement as the number of connections, conscious experiences and personal references per minute that a subject makes between the contents of a persuasive encouragement and the contents of the individual's own life; Zaichkowsky (1985, p. 32) defined it as the perceived relevance of an object on the part of individuals in terms of their inherent needs, moral values and interests; for Celsi and Olson (1988, p. 211) involvement reflects the degree of personal relevance of the decision for an individual in terms of basic values, goals and identity.

Involvement has at times been considered a unidimensional concept (Traylor and Joseph, 1984; Yang et al., 2006) although the majority of definitions generally consider that it is a multidimensional variable (Andrews et al., 1990; Bloch, 1981; Muncy and Hunt, 1984). However, we note important differences between the number and types of its proposed multidimensional aspects. We have chosen the three dimensions proposed by Andrews et al. (1990) as they fit our definition of product and channel involvement in the online context: intensity, persistence and direction:

- *Intensity* refers to the degree of involvement, measured either in a continuum (Zaichkowsky, 1985) or somewhere between high and low involvement (Vaugh, 1980). This is perhaps the most highly-studied dimension of involvement, on which abundant research is available (Andrews et al., 1990).
- *Persistence* has been interpreted as the duration of involvement and moves between two extremes, enduring and situational involvement. The former is the degree to which an object or idea is directly related to a personal system of moral values (Ostrom and Brock, 1968). Thus, enduring involvement means that there are people who, regardless of the situation or the moment in time, are more involved with an object than others (Celsi and Olson, 1988; Rothschild and Houston, 1980). Its origin lies in

the intrinsic sources of personal relevance (Celsi and Olson, 1988): relatively stable and durable cognitive structures that are associated with the acquired knowledge or the accumulated experiences of the individual. Situational involvement is an internal status of individual exaltation (Mitchell, 1981) or concern of a variable nature. Such involvement occurs at a particular point in time and may therefore be characterized as situational, specific and transient (Muncy and Hunt, 1984). According to Celsi and Olson (1988), enduring involvement may be partially affected by situational involvement, and both types of involvement together determine the overall status or level of involvement.

- Finally, *direction* refers to the object of involvement: a sign, an idea, an ad, a product, a channel or a situation, among others. As Mitchell (1981) affirms, involvement cannot exist in the individual independently of an object. It is a concept that exists in relation to something else with which the individual is involved: for example, a product, a brand or a channel.
- In line with the proposals advanced by Celsi and Olson (1988) and Zaichkowsky (1985), for the purposes of this paper we consider involvement with online purchasing as a stable and durable status expressing personal relevance or interest toward the product or service acquired through the Internet or toward the Internet as the selling format or channel. Staying with the previously mentioned dimensions of involvement, it is proposed here that involvement toward online purchase focuses on two objects, product and channel, which in each case can have several levels of persistence and various degrees of intensity.
- *Product involvement* refers to the association of ideas that individuals make between the product or service and their particular system of moral values (Krugman, 1965). Thus, involvement with the product is an example of enduring involvement (Andrews et al., 1990; Celsi and Olson, September 1988; Houston and Rothschild, 1978), which may be either higher or lower (Zaichkowsky, 1985). This type of involvement is relatively stable, although temporary variations in the level or intensity of the involvement may be appreciated (Rothschild, 1979).
- As with products or services, *involvement toward the online channel*, also arises from the association made by the individual between a mode of communication and selling (Internet in this case) and a particular system of moral values. The relationship between the individual and the channel is relatively stable and durable and, as in the case of products, can undergo variations in intensity in relation to the individual's situational involvement. We consider that it makes sense to study involvement toward the online channel or distribution channel in a purchase decision (indeed, the product purchase decision encompasses the choice of both the category of product – and the brand – and the channel through which the consumer acquires the product), although exploring this type of involvement proves particularly interesting in the case of the Internet due to its innovative and highly different characteristics compared to traditional channels.

In view of this reasoning, both types of involvement (toward the channel and with the products and services) are related. If an individual shows high involvement toward a transaction channel (in our case, a high interest toward the Internet), it seems logical to assume that such an interest will extend to the products or services acquired through that channel. The special interest that individuals show toward the selling format will lead them to be interested in what that channel has to offer, which forms the basis of the first of seven hypotheses of our proposed model:

Hypothesis 1 (*The Online Channel Involvement Hypothesis*). Involvement toward the online channel has a favourable

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