Cognitive appraisal of incident handling, affects, and post-adoption behaviors: A test of affective events theory

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ABSTRACT

Understanding the psychology of e-consumers provides information on why some Web sites succeed and others fail. One stream of online customer behavior research has focused on systems quality in determining systems success, whereas another stream of research has focused on the effects of online incidents, including online waiting interruptions and service failures, on consumer behaviors. This study attempts to bridge the two streams of research and to explain e-service customer post-adoption behaviors in a unified model from the perspective of the Affective Events Theory (AET). Previous research examining this phenomenon has been guided by the Expectancy Confirmation Theory (ECT). The current study advances these theories to explain customer retention behaviors using the Affective Events Theory. With the AET, the current study proposes that e-service customer behaviors are determined by three major constructs: perceived site quality, affective reactions, and cognitive appraisal of incident-handling. Three surveys were conducted and the findings support the proposed model, positing that e-service customer retention behaviors are determined by perceived site quality and cognitive appraisal of incidents-handling. Post-adoption behaviors investigated in the study include continuance intention, complaint intention (negative word-of-mouth), and recommendation intention (positive word-of-mouth). Practical implications are also suggested.

1. Introduction

E-service or online service has enjoyed a broad adoption by online users because it is efficient to use and allows customers to use services (traditionally only available in physical stores) from the comfort of their home. By definition, it is "the provision of some kinds of services that are substantially differentiated from traditional retailing, such as professional services, entertainment, or education." (Wareham, Zheng, & Straub, 2005). This study refers to e-service as the electronic provision of traditional services ranging from banking (bankofamerica.com), investing (chase.com), and airline ticketing (travelocity.com), to intelligent interactivity in post-sales product support (dell.com).

The intensified competition of online service providers and the almost nonexistent of exit barriers due to the fact that customers can switch loyalty with just a mouse click away make retaining customers with a customer-centric strategy an important endeavor. Loyal customers are less costly to keep (recruiting new ones is more expensive). Greater emphasis, therefore, is currently placed on retaining existing customers (Ozuem, Thomas, & Lancaster, 2015). Nevertheless, recruiting new customers with positive word-of-mouth (WOM) is less costly and also effective because it helps to enhance the social identity of customers and ultimately build up customer loyalty (Yoo, Sanders, & Moon, 2013).

The advantages of customer loyalty and customer-centric strategy are generally recognized; however, related issues have yet to be well-studied. First, studies examining online customer behaviors in the post-adoption stage are scarce. Most studies of online customer retention focus primarily on the determinants of satisfaction or continuance intention from cognitive perspectives based on either the technology adoption model (Davis, 1989) or the expectancy confirmation theory (Bhattacherjee, 2001a, 2001b). Other post-adoption behaviors, such as complaint and recommendation behavior, are largely under-explored. With the recent popularity of online social-oriented systems, including blogs, social networking, and consumer review forums, as media for online customers to spread WOM and complaints, a better understanding of other post-adoption behaviors, such as WOM and complaint behaviors and their determinants is needed because findings can help practitioners engineer better online services. A survey by PWC (PWC, 2012) underscores the importance and timeliness of understanding customer WOM behaviors in addition to online shopper behaviors in a

study of 1000 US shoppers. The survey found that shoppers are clearly using social media sites to research and follow brands in which they are interested. Forty percents of respondents (range from 18 to 49 in age) prefer social media in learning about products. E-WOM advertising and marketing is not only just another source of product information but will continue to gain prominence.

Secondly, numerous studies suggest that customers are often put off by poor Web site quality and the fear of critical incidents, such as lost private information and unfulfilled transactions. A general consensus among customer retention studies of traditional service is that customer loyalty suffers through service failures, and recovery processes have an even greater effect on loyalty than the original failure (Spreng, Harrell, & Mackoy, 1995). Effective recovery by properly handling service failure and complaint about service failure therefore can be an important way to manage customer loyalty. A study shows that service providers should react to different degrees of negative reviews to enhance readers' attitudes, patronage intentions, and intentions to spread positive word of mouth (Dens, De Pelsmacker, & Purnawirawan, 2015).

To date, two major research streams are currently focused on online customer behaviors. One research stream is focused on systems and information quality as determinants of system success (DeLone & McLean, 1992), whereas the other stream is focused on the effects of interruption and online waiting on consumer behavior (Moody & Galletta, 2015; Nah, 2004). The goal of current study is to bridge these two research streams and to better explain e-service customer post-adoption behaviors in a unified model.

2. Literature review

2.1. Affective events theory

Organizational literature has popularized the Affective Events Theory (AET) (Weiss & Cropanzano, 1996). The theory explains the relationship between employees and their emotional reaction to events that occur at work and posits that momentary work events (refers to the discrete events encountered by employees at work like malfunctioning machines or erroneous work processes) cause concurrent positive and negative affective states. Employee affective states at the workplace predispose their attitude toward jobs, and attitude toward jobs affects cognition-driven behaviors about jobs (intention to quit or stay). Additionally, work features (i.e. being understaffed or competitive rewarding practices) influence these attitudinal judgments directly and indirectly through work events and affective states (Ashkanasy, Ayoko, & Jehn, 2014; Weiss & Cropanzano, 1996). Fig. 1 depicts the major constructs in the Affective Events Theory and the relationships among them.

From AET perspective, work features are similar to Web site features. For instance, some Web features like localization of service, intuitive menu configuration, or smart recommendation service can make user have seamless browsing experience in a similar fashion that

Fig. 1. Affective Events Theory.

positive work features like collegiality and supportive supervisor make employees feel stress free at work. Some Web incidents delay, interrupt, or prohibit a smooth online experience. For instance, longer-than-necessary loading time, fail-to-load pages, pop-ups, and security breach are viewed as inhibitors to a satisfied online experience (Ryan, Pàmies, & Valverde, 2015; Weinberg, 2000). These incidents are like annoying momentary work events because they induce negative emotional reactions in Web users in the same way that they do to workers. Furthermore, an individual might respond to work features at a workplace in a similar way a Web user might have responded when experienced certain Web site features in the virtual world (i.e. complaint or quit when encountered negative feature and recommend when encountered positive features). Web site features can therefore be hypothesized to have effect on individual affectivities that will in turn, affect cognitive (continuance intention) and affective behaviors (recommendation and complaint) of the Web user. Previous studies have attested to the core of the AET approach in both organization and online contexts. Table 1 shows the empirical findings of AET research in different contexts.

Many theories used in behavioral science to investigate behaviors in brick-and-mortar environment have been adopted to investigate online behaviors with great success. For instance, the theory of planned behavior (TPB) (Ajzen, 1991) has been widely applied to explain adoption and post-adoption behaviors in online environment (e.g., Thakur, Summey, & John, 2013). AET can be employed to enhance post-adoption theories (e.g., TPB, ECT) that stress the rational aspect of human decisions, because it particularly emphasizes affective responses (Härtel, McColl-Kennedy, & McDonald, 1998). By acknowledging that both affect and cognition influence attitudes, the AET approach provides insights on how attitudes, affect, and cognition interplay and affect online service user behaviors. Extending its application area from the work environment to the online environment can provide an opportunity to refine the theory.

The following subsection reviews literature pertaining to perceived site quality. There are four research streams that define perceived site quality as information quality, system quality, service quality, functionality, content quality, and user perception of site quality.

2.2. Perceived site quality as a web feature

Using online services is a challenge to some people and unpredictable to others. Poor Web site quality has been identified as the culprit of unfavorable attitudes toward Web sites (Doll & Torkzadeh, 1988). An unfavorable attitude toward a Web site impedes system use; by contrast, a favorable attitude contributes to adoption decisions and continuance intentions (Bhattacherjee, 2001b). Web site quality may influence trust beliefs (McKnight, Choudhury, & Kacmar, 2002), cognitive appraisal of situational states (Éthier, Hadaya, Talbot, & Cadieux, 2006), and trust intentions (McKnight et al., 2002).

A Web site is a type of online system, so the concept of perceived site quality can be naturally traced from previous research on online system quality. At least four different streams of research exist on online system quality. The first stream of research, influenced by the technology acceptance model (TAM) (Davis, 1989), refers to Web site quality as information quality, system quality, and service quality (DeLone & McLean, 1992; Karlinsky-Shichor & Zviran, 2016). The second stream focuses on functionality and content quality (Bauer & Scharl, 2000; Yoo, Kim, & Sanders, 2015). The third stream highlights service quality as the most important aspect of Web site quality (Webb & Webb, 2004). According to this stream, service quality is a multidimensional construct including reliability, responsiveness, assurance, empathy, and tangibility. The fourth stream emphasizes user perception of site quality (Éthier et al., 2006; Liu, Cheung, & Lee, 2016; McKnight et al., 2002). Among these different research streams, the last one is related to the concept of perceived site quality addressed in the current study. User perception of site quality is the focus of this investigation because user s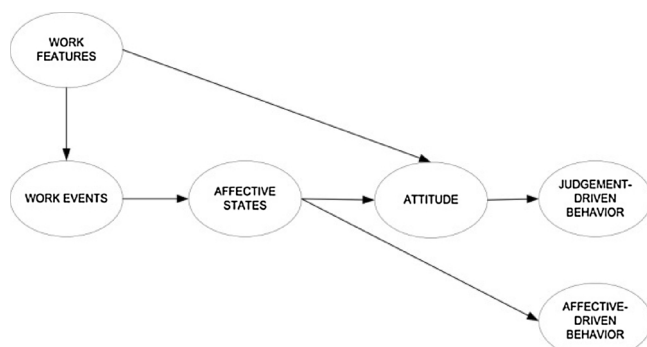ubjective perception toward a Web site should reasonably