When Is Information Quality More Important?
The Moderating Effects of Perceived Market Orientation and Shopping Value

Xina Yuan, Department of Marketing, School of Management, Xiamen University, Xiamen, China
Kyounghee Chu, Division of Business, Chosun University, Gwangju, South Korea
Shun Cai, Department of Management Science, School of Management, Xiamen University, Xiamen, China

ABSTRACT

One of the key elements that an electronic retailer (e-tailer) relies on for converting website visitors to buyers is information quality management. Previous studies recognized that information quality is a significant predictor of the online consumers’ trust, satisfaction with the goods offered by the e-tailer, and most importantly, purchase intention. However, the extant research has largely ignored the possibly contingent effects of information quality on consumer’s purchasing intention. By integrating theories and prior research findings from the marketing and e-commerce field, this article validates the direct effect of information quality on consumer’s purchasing intention. More importantly, the authors propose that an e-tailer’s market-oriented image (perceived market orientation) and consumer’s shopping value would have a moderating role on the relationship between information quality and purchasing intention. A survey was conducted to collect data to test the proposed research model. The results generally support the authors’ hypotheses. The practical and theoretical contributions of the study are discussed.

KEYWORDS
Consumer Shopping Value, E-Tailing, Information Quality, Perceived Market Orientation

INTRODUCTION

Online shopping is now a popular form of consumer buying behavior across a broad range of product categories (Rose & Samouel, 2009). The Internet gave birth to online retailing, and electronic business has become a common way of doing business (Alba et al., 1997; Cai & Xu, 2011; Gao et al., 2012; Wolfinbarger & Gilly, 2003). However, an electronic hypermedia environment often faces challenges in anticipating and satisfying customers because of the physical separation between buyers and sellers (Pavlou & Gefen, 2004; Phang et al., 2010; Qureshi et al., 2009; Trochcia & Janda, 2003). In an online shopping context, consumers do not have complete information about the products and services that are offered by e-tailer on a website. Therefore, they seek information that allows them to discriminate between a seller of high-quality goods and a seller of low-quality goods (Kuan et al., 2008; Ranganathan

DOI: 10.4018/JGIM.2018040110

Copyright © 2018, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.
& Ganapathy, 2002). Therefore, taking full advantage of the Internet’s capability to deliver complete information to consumers well is critical for successful e-commerce (Gao et al., 2012).

The extant research has recognized that the information quality of websites is a significant predictor of the satisfaction and trust, revisit intention, and most importantly, purchase intention of online consumers (Bock et al., 2012; Chen et al., 2009; Evanschitzky et al., 2004; Kuruzovich et al., 2008; McKinney, 2004; Mukherjee & Nath, 2007). Information quality has been verified to be strongly related to system’s perceived usefulness and net benefits, especially in the context of e-commerce systems (Delone & McLean, 2003). However, several studies argued that the effect of information quality on purchasing intention is relatively weak or varies in different circumstances (e.g. Jang et al., 2008; Kuan et al., 2008; Ranganathan & Ganapathy, 2002; Zo & Ramamurthy, 2009). Thus, the potential contingency of its importance can be highlighted, such that information displayed on an e-tailer website provides different values to consumers depending on the e-tailer’s characteristics and the consumer’s characteristics.

Since electronic commerce has become the common way of doing business, market-orientation strategy play a crucial role in gaining competitive advantage in on-line and off-line worlds (Luo & Seyedian 2003). To this end, we include market orientation in the proposed research model. From the signaling perspective, the provision of comprehensive information on the website signals an e-tailer’s commitment to cater to and care about consumers’ information needs, and the market orientation of the e-tailer could strengthen such signals, for example, a customer-oriented strategy might be more in line with this signal. However, a competitor-oriented strategy that mainly focuses on price and promotion but not complete information provision.

The market orientation perspective is widely recognized in the marketing literature (Deshpandé et al., 1993; Sheth, 2011; Webb et al., 2000). It consists of two major dimensions: competitor orientation and customer orientation (Kohli & Jaworski, 1990; Narver & Slater, 1990). Although market orientation is equally important in online environment (Kohli & Jaworski, 1990; Luo & Seyedian, 2003; Micheels & Gow, 2012; Narver & Slater, 1990; Raghunathan & Madey, 1999), the significant role of customer orientation in e-commerce has been largely overlooked in prior literature (Luo & Seyedian, 2003). Online consumers may form different images about different retailers, such as the customer-oriented image and the competitor-oriented image. From the consumer’s perspective, the customer-oriented image is deeply associated with customer focus and good customer service (e.g., fast response to customers’ requests, good after-sales service, and easy refunds). Typical examples of e-tailers in South Korea with a customer-oriented image are the online shopping sites of Samsung and Hyundai. On the other hand, the competitor-oriented image is strongly associated with price competition and competitive sales promotional activities. Typical examples of competitor-orientation could be E-mart and Homeplus (a Tesco and Samsung joint venture) which are leading discount retailers in South Korea.

The second variable we include in the model is consumer shopping value. The retailing research has a long tradition of studying personal value. Personal values are important determinants of consumer behavior (Cai & Shannon, 2012), and they have been associated both directly and indirectly to consumer evaluation and behaviors. Moreover, since personal values are fundamental to a person’s cognition and information processing, they have been found to be relatively more enduring compared to attitudes (Jones et al., 2006; Kamakura & Novak, 1992). Shopping value is one of the key concepts used in the extant research on consumer’s shopping behavior (Wagner & Rudolph, 2010). Prior research on personal hedonic shopping value as well as utilitarian shopping value as an individual inclination focused on the predictors and outcomes of shopping value (Babin & Attaway, 2000; Babin & Babin, 2001; Babin & Darden, 1995; Babin et al., 1994; Kim & Stael, 2004). Prior research reported that both utilitarian and hedonic shopping values affect important retail outcomes such as purchase intention.

The objectives of this research are to validate the direct effect of the information quality of an e-tailer’s website on consumer purchase intention and to investigate how utilitarian and hedonic shopping values work differently in their relationships with the information quality of a website.
Related Content

Lines of Advance in Global Information Technology Management: American/West European Approach
www.igi-global.com/chapter/lines-advance-global-information-technology/4513?camid=4v1a

Organizational Learning Process: Its Antecedents and Consequences in Enterprise System Implementation
www.igi-global.com/article/organizational-learning-process/3632?camid=4v1a
www.igi-global.com/chapter/brave-new-world-exploratory-analysis/19190?camid=4v1a

Key Trends in Systems Development in Europe and North America
James C. Wetherbe, Nicholas P. Vitalari and Andrew Milner (1994). Journal of Global Information Management (pp. 5-21).
www.igi-global.com/article/key-trends-systems-development-europe/51247?camid=4v1a