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THE IMPACT OF IMPRESSION MANAGEMENT ON PURCHASE INTENTIONS IN ONLINE AUCTIONS: THE MODERATING EFFECTS OF RELATIONSHIP NORMS

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Abstract

The IT-mediated nature of e-commerce creates the uncertainty in online buyer-seller relationships where online buyers are difficult to personally scrutinize sellers, leading to many challenges for online sellers to win buyers’ trust. In order to overcome this problem, according to impression management theory and relationship theory, this research proposes a research framework for understanding how impression management tactics can be used by sellers to create a positive impression in the minds of buyers, affect buyers’ trust in the sellers, and subsequently purchase from them. This research further examines the moderating role of relationship norms on the relationship between impression management tactics and trust. A Web-based survey is then conducted in Yahoo! Taiwan auction to validate our proposed framework. Our research is expected to contribute to the theories by first examining the impression management theory and relationship theory in the context of online auctions. We also expect to contribute to the practice by illustrating that sellers should adjust their impression management tactics to suit buyers’ relationship norms. Specifically, self-focused tactics are more useful for buyers in an exchange relationship; other-focused tactics are more effective for buyers in a communal relationship.

Keywords: Impression Management, Relationship Norms, Trust, Purchase Intentions, Online Auctions.
1 INTRODUCTION

The online auction is one of the successful business innovation and accounts for a large number of economic activities over the Web even though many other Web-based businesses have lost their initial popularity (Yen & Lu 2008). There are over millions of items for sale in thousands of categories on auction sites such as eBay and Yahoo! at any time.

Although the online business activities are fully mediated by information technology, the uncertainty of the online auction environment is more than other online shopping because of the nature of anonymity (Yen & Lu 2008). In such online environment, there is usually a lack of face-to-face interaction with sellers, buyers are unable to personally scrutinize sellers and to physically touch their interested products (Chiu et al. 2010). In addition, severe competition and low switching costs for buyers create many challenges for sellers.

To accomplish the transactions, it is important to understand how website qualities induce trust in an unknown seller, which subsequently affects purchase intentions (Gregg & Walczak 2010). Some studies have identified attributes of website qualities that can facilitate the formation of trust even though sellers and buyers have no prior interactions or experience (Chiu, et al. 2010; Gregg & Walczak 2010; Pavlou & Gefen 2004). However, little study has been dedicated to the impact of impression management tactics on trust in the context of online auctions. Because buyers suffer high uncertainty in the online auctions, it is likely that sellers can implement impression management tactics to win buyers’ trust.

In addition, previous studies indicated that impression management tactics may have different effectiveness under different situations (Kacmar et al. 1992). Fiske and Taylor (1984) indicated that individuals attempt to adjust their behaviors to suit the norms of a situation. Buyers and sellers may develop business relationships (Rauniar et al. 2009; Zhou et al. 2009) or friendships (Abdul-Ghani et al. 2011). Different relationships have different norms to follow (Aggarwal 2004; Tomiuk & Pinsonneault 2009). Hence, in order to enhance the effectiveness of impression management tactics, sellers have to adjust their impression management tactics to suit the norms of the relationship perceived by buyers. However, limited study has addressed the moderating role of relationship norms on the effectiveness of impression management tactics. In order to fill in the literature gap, this research proposes the following questions: “How do sellers’ impression management tactics affect buyers’ trust, which in turn leads to purchase intentions?” and “How do relationship norms moderate the relationship between impression management tactics and trust?”.

Impression management theory has been widely examined in the context of organizational relationships. These studies attempt to understand way in which individuals’ impression management influenced evaluations made by targets (Bolino et al. 2008). In recent years, the ideas of organizational impression management have been applied in understanding how website features
influence users’ impression (Heinze & Hu 2006; Winter et al. 2003). We argue that impression management theory can provide new insight for understanding how impression management tactics can be used by sellers to create a positive impression in the minds of buyers, affect buyers’ trust in the sellers, and finally purchase from them.

Relationship theory indicates that interpersonal relationships can be divided into two relationship forms: exchange relationships and communal relationships (Clark & Mills 1979). Different forms of relationships have different norms to follow. Behaviors from individuals that conform to a given relationship norm perceived by the target is welcomed (Aggarwal 2004; Clark & Mills 1979). Most studies on relationship norms were conducted in the fields of interpersonal relationships (Mills & Clark 1994), consumer-brand relationships (Aggarwal 2004), and service relationships (Wan et al. 2011). Recently, relationship theory was used in the context of B2C electronic commerce to illustrate that users may develop communal relationships with websites of companies (Tomiuk & Pinsonneault 2009). Because buyers and sellers may develop an exchange relationship or a communal relationship, we argue that relationship theory is an appropriate theoretical lens for examining how relationship norms moderate the effectiveness of impression management tactics in the context of online auctions.

2 THEORETICAL FOUNDATIONS AND HYPOTHESES

2.1 Impression Management and Trust

Impression management refers to the process by which individuals attempt to control the images that others form of them (Leary & Kowalski 1990; Rosenfeldt et al. 1995; Schlenker 1980; Tedeschi & Riess 1981). The impression management was first introduced by Goffman (1959), who highlights the connection between theatrical performances and everyday behavior. In social interaction, like in theatrical performance, the “actors” (individuals) choice scenery, props and behavior to create and convey a particular image in order to evoke a certain response from audience members.

Such impression is important because it can directly affect others’ behavior, enhance social self-esteem, and facilitate the construction of desired identities (Baumeister 1982; Rosenberg 1979; Stapleton & Hargie 2011), and thereby leads to others to view the individuals as more favorable (Bozeman & Kacmar 1997). To accomplish this goal, individuals use a variety of impression management tactics, both verbal and non-verbal.

Actually, various impression management tactics have been investigated. Jones and Pittman (1982) identified five impression management tactics: self-promotion, ingratiation, intimidation, supplication, and exemplification. Tedeschi and Melburg (1984) argued that tactical impression management promotes the good image to obtain the short-term goal of a positive performance evaluation. A representative example for tactical impression management is self-promotion and ingratiation. Wayne and Liden (1995) further categorized impression management tactics into self-presentation (self-focused) and other-enhancement (other-focused). Self-focused tactics involve making himself or
herself more appealing to the eyes of others. Forms of self-focused tactics include self-enhancement and exemplification, or acting as an exemplar. In contrast, other-focused tactics involve making another person feel positive (Jones 1964; Wayne & Liden 1995). Forms of other-focused tactics include flattery, favor-doing, and opinion conformity. This study mainly focuses on Wayne and Liden’s (1995) impression management taxonomy.

In the context of online auctions, impression management refers to the manner in which images presented serve to form buyers’ perception of sellers. Because online auctions emphasize interpersonal interactions, an online auction platform offers various interaction functions for both buyers and sellers to successfully complete a deal. On this platform, different sellers may deploy different impression management tactics. For instance, online auction sites like eBay and Yahoo! provide a small portion of a web page in which sellers may decide whether to control the appearance and content as self-focused impression management tactics to establish a positive impression with buyers after the initial interaction. As indicated in the “about me” Web page, sellers can provide adequate information about transaction rules and fair policies and practices for handling problems or disputes, etc. In addition, sellers may efficiently and politely response buyers’ questions and meet buyers’ needs through online Q&A or the feedback forum. Sellers also may offer great discounts and gifts with potential buyers as other-focused impression management tactics via multiple channels.

Because the IT-mediated nature of e-commerce creates the uncertainty in online buyer-seller relationships (Wells et al. 2011), creating different and positive identities to reduce buyers’ perceptions of risk is important for sellers. If sellers want to be perceived as more trustworthy, they need to promote the good images by using self-focused and other-focused impression management tactics. Moreover, previous studies have found that website informativeness can mitigate uncertainty in online exchange relationships (Pavlou et al. 2007). Chiu, et al. (2010) applied justice theory to examine buyer-seller relationships in online auctions. They argued that bidding justice such as obeying the transaction rules, explanations of buyers’ concerns, and interacting with buyers in a polite manner can facilitate the establishment of trust in sellers. Gregg and Walczak (2010) also showed that Web quality including information quality and Web design can significantly impact trust in online auction vendors. We therefore propose the following hypotheses:

\[ H1: \text{Self-focused impression management tactics will positively influence buyers’ trust in online sellers.} \]

\[ H2: \text{Other-focused impression management tactics will positively influence buyers’ trust in online sellers.} \]

2.2 Trust and Purchase Intentions

In the online auction environment, the anonymous identities of online sellers result in buyers having limited information to scrutinize sellers. Trust is crucial enabling factor in buyer-seller relationships where there is uncertainty. Mayer et al. (1995) considered ability, integrity, and benevolence as
dimensions of trust. Trust creates favorable feelings towards the sellers that are likely to facilitate customers’ intention to make transactions with them (Ajzen 1991). Moreover, previous studies have found that buyers generally have stronger intentions to make purchase from sellers they trust (Bhattacharjee 2002; Pavlou & Gefen 2004; Pavlou & Gefen 2005). We therefore propose the following hypothesis:

\[ H3: \text{Trust will positively influence buyers’ intention to purchase.} \]

2.3 The Moderating Effects of Relationship Norms

The relationship theory (relationship norms) was originally proposed by Clark and Mills (1979), who distinguish relationships into exchange relationships and communal relationships to replace economic exchange and social exchange proposed by Goffman (1961). A typical exchange relationship is the relationships between strangers or business partners, while a typical communal relationship is the relationships between family members, romantic partners, or friends (Clark & Mills 1979). These two relationships have different norms that have to be conformed by individuals. In the exchange relationships, individuals mainly focus on quid pro quo and provide a benefit to others to get a comparable benefit in return in the future or to repay comparable benefit from others in the past. In contrast, in the communal relationships, individuals concern the needs and welfare of others and help them without the expectation about getting a comparable benefit in return (Clark & Mills 1979).

Tomiuk and Pinsonneault (2009) further indicated that the content of communication under exchange relationships is different from that under communal relationships. They argued that individuals talk to others on task-related issues in the exchange relationships. The content of communication is role-bound. For instance, in the context of customer-employee relationships, they talk about the issues of products and services with each other. Conversely, in the communal relationships, individuals are more likely to perform self-disclosure and the content of communication may be less related to the task (Goodwin 1996; Tomiuk & Pinsonneault 2009). For instance, customers and employees may talk about private life and personal interests in the service communality.

The relationship theory further indicates that if the behaviors from others correspond with the norms of the perceived relationship for an individual, an individual tends to feel attracted to them, and vice versa (Aggarwal 2004; Clark & Mills 1979). In the context of online auctions, sellers and buyers may develop an exchange relationship because they are unfamiliar with each other, interact in an impersonal manner, and are less likely to develop an ongoing relationship (Kim 2005; Rauniar et al. 2009; Zhou et al. 2009). However, some studies suggested that buyers may strike up friendship with sellers through the mediation of information technology (Abdul-Ghani et al. 2011). Therefore, this study extends relationship theory to the context of online auctions.

According to relationship theory, individuals under exchange relationship prefer intra-role and task-oriented behavior (Tomiuk & Pinsonneault 2009). Buyers in online auctions may suffer high degree of uncertainties and expect sellers to reduce uncertainties by intra-role behaviors (Ba & Pavlou...
Self-focused impression management tactics may instill a positive image in the mind of buyers that sellers work hard to run their business and are the role model among all the sellers (Wayne & Liden 1995). Sellers can be responsive to buyers’ questions through Q&A, provide and follow the rules of transaction, have fair policy to deal with disputes, present a professional website design, and promise accurate and fast delivery (Kuo et al. 2011; Pavlou & Gefen 2004; Pavlou & Gefen 2005). Buyers may reduce uncertainties if sellers adopt self-focused impression management tactics. If buyers perceive their relationship with sellers as an exchange relationship, self-focused impression management tactics from sellers conform to the norms of exchange relationships and then make buyers trust these sellers in their ability to complete the transaction. Conversely, individuals under communal relationships prefer extra-role and relationship-oriented behavior (Clark & Mills 1979; Tomiuk & Pinsonneault 2009). If buyers perceive their relationship with sellers as the communal relationships, self-focused impression management tactics from sellers may contradict with norms of communal relationships and make buyers distrust these sellers because sellers do not want to strike up a friendship with buyers and only focus on the transaction. We therefore propose the following hypothesis:

**H4:** Relationship norms moderate the relationship between self-focused impression management tactics and trust. Specifically, the relationship between self-focused impression management tactics and trust will be stronger when buyers perceive their relationship with sellers as exchange relationships than as communal relationships.

Based on relationship theory, individuals under communal relationships tend to perform extra-role behavior and such behavior is unrelated to the task. Other-focused tactics may instill a favorable image in the mind of buyers that sellers concern about the welfare of buyers. Sellers can talk with buyers on private matters, praise buyers, treat buyers in a polite and sincere manner, be sensitive to buyers’ needs, and reveal information about rare merchandise (Abdul-Ghani et al. 2011; Chiu et al. 2010). These behaviors are less relevant to the transaction itself but are conducive for building a long-term relationship between buyers and sellers. Buyers may perceive that sellers want to develop a friendship with them if sellers adopt other-focused tactics. If buyers perceive their relationship with sellers as the communal relationships, other-focused tactics from sellers conform to the norms of communal relationships and make buyers trust sellers because sellers care about the welfare of buyers. Conversely, buyers under exchange relationship do not accept behaviors that are extra-role or are unrelated to the task. If buyers perceive the other-focused tactics from the sellers, the tactics may be in conflict with the norms under exchange relationships and make buyers distrust the sellers because sellers are perceived as less professional and incompetent. We therefore propose the following hypothesis:

**H5:** Relationship norms moderate the relationship between other-focused impression management tactics and trust. Specifically, the relationship between other-focused impression management tactics and trust will be stronger when buyers perceive their relationship with sellers as communal
relationships than as exchange relationships.

3 RESEARCH METHODOLOGY

3.1 Research Framework

Drawing on impression management theory and relationship theory, this study proposes a research framework that helps examine the effects of impression management (IM) tactics (self-focused and other-focused) on trust and purchase intentions in the online auction context. The moderating roles of relationship norms (exchange relationship (ER) and communal relationship (CR)) on the relationship between IM tactics and trust will also be examined, as shown in Figure 1.

![Figure 1. Research Framework](image)

3.2 Survey Administration

The research framework is tested with data from Yahoo!, which is the most popular online auction marketplace in Taiwan (Yeh et al. 2012; Yen & Lu 2008). The Web-based survey is used in this study because Web-based survey has the advantages over traditional paper-based survey, including a large number of potential subjects, lower costs, faster responses, higher response rate, and more representatives (Chiu et al. 2009; Kaplowitz et al. 2004). In order to ensure that participants have sufficient online auction experiences, the main criteria for selecting participants for the sample are: (a) a minimum of six month’s auction experience on auction website, and (b) at least one transaction being completed within that period. A banner with a hyperlink connected to our Web survey is posted on a number of online forums, bulletin board systems and virtual communities in order to attract individuals with Yahoo! auction experience to participate in the survey.

3.3 Measurement Development

Most of measures are adapted from established scales to suit the context of online auctions. Drawing on Wayne and Liden (1995), we define self-focused impression management as a positive image in the mind of buyers that sellers work hard to run their business and are the role model among all the sellers. Other-focused impression management is defined in this study as a favorable image in the mind of buyers that sellers focus on buyers by concerning about the welfare of buyers (Kacmar et al.
The items for measuring self-focused and other-focused impression management tactics are adapted from Wayne and Liden (1995). Following Mayer et al. (1995), trust is defined as the willingness of buyers to be vulnerable to the actions of sellers based on the expectation that sellers will perform a particular action important to the buyers, irrespective of the ability to monitor or control that sellers. Trust is measured with items developed by Bhattacharjee (2002). Following Pavlou and Gefen (2004), purchase intentions is defined as buyers’ intention to engage in online exchange relationships with sellers. The items for measuring purchase intentions are adopted from Pavlou and Gefen (2004). Drawing on Tomiuk and Pinsonneault (2009), exchange relationship is defined here as sellers and buyers develop business relationships. Sellers do not assume any obligation to feel concern for buyers. Buyers and sellers enter the relationship because they think the relationship is useful for attaining transaction goals (Tomiuk & Pinsonneault 2009). Communal relationship is defined as sellers and buyers develop friendships. Sellers give benefits (e.g., offers of help, gifts, favors, affection) to please buyers, as demonstrated by showing genuine concern of the buyers’ needs and without an expectation of immediate repayment (Clark & Mills 1993; Clark et al. 1987). Mills and Clark (1994) developed scales of exchange orientation and communal orientation and could be used to classify buyers into exchange relationships or communal relationships. All of items are measured with five-point Likert scales, which range from “strongly disagree” (1) to “strongly agree” (5). Two-group structural equation modeling (Jöreskog & Sörbom 1989) is conducted to validate our hypotheses.

4 EXPECTED CONTRIBUTION AND CONCLUSION

This research first integrates the impression management theory and relationship theory to propose a research framework that helps understand how impression management tactics influence trust, which in turn affect purchase intentions. We also depict the moderating effects of relationship norms on the relationship between impression management tactics and trust.

Our research contributes to the practice by indicating that online auction sellers could benefit from impression management tactics they present. Buyers may have higher trust in sellers, and subsequently, intention to purchase.

Our research also indicates that sellers must create their impression management tactics to match the relationship norms perceived by buyers. Specifically, when buyers perceive their relationship with sellers as a communal one, other-focused tactics should be used by sellers to win buyers’ trust. Conversely, self-focused tactics should be implemented by sellers if buyers perceive their relationship with sellers to be an exchange one.
References


