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Wen-Lung Shiau
Ming Chuan University, mac@mail.mcu.edu.tw

Patrick Y. K. Chau
The University of Hong Kong, pchau@business.hku.hk

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DOES ALTRUISM MATTER ON ONLINE GROUP BUYING? PERSPECTIVES FROM EGOTISTIC AND ALTRUISTIC BEHAVIOR

Wen-Lung Shiau, Dept. of Information Management, Ming Chuan University, Taoyuan, Taiwan, R.O.C., mac@mail.mcu.edu.tw
Patrick Y. K. Chau, School of Business, The University of Hong Kong, Hong Kong, pchau@business.hku.hk

Abstract

The purpose of this study is to examine altruistic behavior (altruism) and egotistic behavior (reciprocity and reputation) regarding online group repurchasing intention. Data collected from 282 online group shoppers in an online shopping store provided support for the proposed model. The findings of the study show that altruism is relevant to online group buying, and trust and satisfaction have significantly positive effects on online group repurchasing intention. The results emphasize that altruism, reciprocity, and reputation of motivations are significantly positive predictors of trust. Altruism and reciprocity have significantly positive effects on satisfaction, whereas reputation does not. The contribution of this study draws attention to the altruistic value of electronic commerce, by theorizing and validating the effects of altruistic and egotistic behavior on online group repurchasing intention. This paper presents a discussion on altruistic behavior (altruism) and egotistic behavior (reciprocity and reputation) regarding online group repurchasing intention and suggestions for future research.

Keywords: altruism, reciprocity, reputation, trust, satisfaction, online group buying
1 INTRODUCTION

Altruistic behavior, or altruism, is a human act with the goal of benefiting others (Suh & Harrison 2006; Chang & Chuang 2011). In today’s global economy, humanitarian issues become increasingly more crucial to customers, and altruism provides a basis for understanding the motivations that consumers may have (Shimp & Sharma 1987; Hopkins & Powers 2007). The impact of altruism on purchase behavior is critical for business firms (Shimp & Sharma 1987; Choi & Wang 2007; Croson 2007; Hopkins & Powers 2007). In recent years, increasingly more business firms focus on collective online purchase behavior. For example, a famous group coupon company, Groupon (e.g., http://www.groupon.com/), was launched in November 2008 and had more than 500 markets of 44 countries in North America, in Europe, Asia, and South America. Groupon had 39.5 million active customers in September 2012. Online group buying has become a popular activity in the world. Online group buying behavior occurs when consumers purchase products and services together on the Internet. The benefits of online shopping include convenience and saving time without the restriction of store hours or store locations (Orsini 1999; Raijas & Tuunainen 2001; Foucault & Scheufele 2002; Rohm & Swaminathan 2004). The value of goods and services purchased online is rapidly increasing (Hogan 2003; Monsuwė et al. 2004). Numerous studies have investigated factors influencing online purchase behaviors, such as playfulness (Ahn et al. 2007), experiences (O’Brien 2010), loyalty (Koo 2006; Tsai & Huang 2009), fashion involvement (Shang et al. 2005), risk (Jarvenpaa et al. 2000), website satisfaction (Yoon 2002), cost (Vijayasarathy 2002), and trust (Jarvenpaa et al. 2000; Gefen et al. 2003; Shiu & Luo 2012). IS research suggesting that people use online IS to benefit other online users is rare (Luo 2002; Hess et al. 2010; Lowry et al. 2011). In addition, previous studies have offered few findings on online group buying because it is a relatively novel business model. Therefore, the first objective of this study is to fill this gap and identify whether altruistic behavior is a significant factor in online group buying.

For online group buying firms, consumers are not only able to initiate value for online group buying stores, but also could generate it again and again. Retaining repurchased value of online shoppers becomes critical factors for business firms to survive (Bhattacherjee 2001). Moreover, most people shop online together for themselves (egotistic behavior). Egotistic behavior is human nature and takes action for themselves. If one act is or appears to be motivated mainly out of a consideration of one’s own rather than another’s need, we call it egotistic. The egotistic impulse does exist to consider his/her own interests – is natural to the human species. Therefore the second objective of this study is to examine the effects of altruistic and egotistic behavior on online group repurchasing intention through the psychological processes of trust and satisfaction. In order to achieve objectives of this study, research questions addresses in this paper are: (1) does altruistic behavior matter on online group buying, and (2) how do altruistic and egotistic behavior influence online group repurchasing intention? This study draws attention to test a theoretical model of altruistic and egotistic behavior on the online group buying repurchasing intention. The remainder of the paper is structured as follows: Section 2 introduces the theoretical background; Section 3 details the research model and hypotheses; Section 4 provides the research methodology, data analysis, and results; Section 5 presents a discussion; and lastly, Section 6 offers a conclusion.

2 LITERATURE REVIEW

2.1 Altruism

Research on altruistic behavior in the context of business behaviors represents an exciting application (Federouch 1990; Olsen et al. 1993; Alcañiz et al. 2010). Altruism is the principle or practice related to welfare toward others. Most people who emphasize the motivational aspect of altruism agree that altruistic behavior involves willfully benefiting another person without the expectation of rewards.
(Berkowitz 1972); empathizes with the needs of another person (Aronfreed 1970; Cohen 1972); and is that a politically skilled employee could be other-serving and highly effective (Moss & Barbuto 2010). Table 1 summarizes previous studies on altruism and shows related subject areas, purposes, factors, and results. The findings of this study on online group buying can be used to clarify novel business models and continually develop and refine altruism.

<table>
<thead>
<tr>
<th>Study</th>
<th>Area</th>
<th>Purpose</th>
<th>Factors related to altruism</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcañiz et al. (2010)</td>
<td>Alliances between brands and social causes</td>
<td>To know the Influence of company credibility on social responsibility image</td>
<td>trustworthiness expertise</td>
<td>Altruistic attributions → trustworthiness*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Altruistic attributions → expertise*</td>
</tr>
<tr>
<td>Chang and Chuang (2011)</td>
<td>virtual community</td>
<td>Understanding factors influencing knowledge sharing behavior in a virtual community</td>
<td>Quality of shared knowledge Quantity of shared knowledge</td>
<td>Altruism → Quality of shared knowledge*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Altruism → Quantity of shared knowledge*</td>
</tr>
<tr>
<td>Hsu and Lin (2008)</td>
<td>blog</td>
<td>Understanding what motivates people to participate in blog activities.</td>
<td>attitude toward using blog</td>
<td>altruism → attitude toward using blog*</td>
</tr>
<tr>
<td>Lee and Lee (2010)</td>
<td>Altruistic traits in organizations</td>
<td>To know what kind of factors influence helping through IS in organization.</td>
<td>The willingness to help others through IS</td>
<td>altruism traits → the willingness to help others through IS*</td>
</tr>
</tbody>
</table>

* Significant  

Table 1. Altruism related studies

2.2 Reputuation and Reciprocity

Reputation is a social identity evaluated by other people. Individual reputation is widely conceptualized as individual attribution identified by collective perception. A person with a good reputation is to know more something or do better actions recognized by others. Reputation is an important factor that an individual can necessitate to achieve a certain status within a collective (McLure-Wasko & Faraj 2005). In an online context, people share information and contribute their knowledge because they want to have an informal recognition and establish themselves as experts. Reputation is a kind of recognition and increased by information sharing among other users or sellers (Davenport & Prusak 1998; Kollock 1999). Moreover, people who share more knowledge receive a higher reputation (Davenport & Prusak 1998). Previous studies have shown that reputation is a strong motivator for knowledge sharing (Davenport & Prusak 1998; Kankanahalli et al. 2005; Hung et al. 2011). Reputation has recognized as driving factor to share information in the context of online environment (Kollock 1999; Kankanahalli et al. 2005). Therefore, reputation has become an important factor in shaping online consumer behavior.

Reciprocity is a positive or negative response for the actions which one should treat others as one would like others to treat oneself. In general, people suffer from limited time, energy, and other resources and not willing to share their knowledge unless they can get reward from them (Davenport & Prusak 1998). In other words, people share information or knowledge may expect future benefits from their present actions. For example, Chen and Hung (2010) investigated factors influencing members’ knowledge sharing and community promotion in professional virtual communities. Their results show that norm of reciprocity, interpersonal trust, knowledge sharing self-efficacy, and perceived relative advantage were significant in affecting knowledge sharing behaviors. Previous studies have shown that reciprocity is a strong motivator for knowledge sharing (Davenport & Prusak 1998; Kankanahalli et al. 2005; Chen & Hung 2010). Therefore, reciprocity has become an important
factor for users to contribute their knowledge in the context of online environment.

### 2.3 Trust and Satisfaction

Online group buying is a kind of social behavior in the electronic commerce environment. Trust plays a great role in interpersonal interactions (Mayer et al. 1995) within a group or an organization. Moreover, trust plays an important role in electronic commerce (Gefen et al. 2003; Jarvenpaa & Tractinsky 1999; McKnight et al. 2002a; McCole et al. 2010). For example, McCole et al. (2010) assessed three common trust considerations (vendor, Internet, and third parties) on attitude toward online purchasing, and investigated the level of trust among the three trust considerations and attitudes toward online purchasing, moderated by privacy and security concerns. The results showed that all three common trust considerations (vendor, Internet, and third parties) had significant effects on attitudes toward online purchasing.

With the proliferation of Internet, user satisfaction has been an important role in the electronic commerce context. For example, Heikki et al. (2009) further investigated the antecedents of online banking satisfaction and loyalty. They collected a convenience sample of 183 online banking users. The results showed strong support for the links between perceived security and perceived usefulness (PU) and perceived ease of use (PEOU), among reliability and PU and PEOU, between PEOU and satisfaction, and finally, between satisfaction and loyalty. Moreover, Abdeldayem (2010) investigated the integrated model of customer satisfaction with online shopping and collected a sample of 242 questionnaire surveys from university students in Dubai, UAE. The results showed that ease of use, usefulness, enjoyment, perceived Web-store traits, channel traits, and consumer traits affected attitudes toward online shopping and the intention to shop online.

### 3 RESEARCH MODEL AND HYPOTHESIS

Most well-known online group buying vendors (Groupon and Yahoo!) offer space for customers to share their shopping experiences. Some people share their online group buying experiences and do not expect any returns (altruism). By contrast, reciprocity is a type of egotistic behavior in which people share value experiences to receive benefits in return. Reputation, in this context, refers to online group buying members sharing their value experiences to impress others and increase their own status and is an egotistic behavior. Reputation is considered a critical determinant of online group shopping because online group buying members with poor reputations are not allowed to join online group buying activities (http://www.ihergo.com/). Therefore, altruistic behavior (altruism) and egotistic behavior (reputation and reciprocity) are considered crucial determinants of online group shopping. In addition, two psychological states (trust and satisfaction) are identified as critical factors in determining the value of repurchase intention (Oliver 1980; Bhattacherjee 2001; Gefen et al. 2003). Thus, we propose the research model shown in the Figure 1.
In an online environment, customers have limited information and cognitive resources and are unable to scrutinize merchandise through touch. Thus, customers seek to increase perceived certainty of other human behavior (Luhmann 1979). Trust is an effective factor to reduce the uncertainty and complexity of online transactions and to create a positive intention toward transaction behavior. Pavlou and Gefen (2005) investigated trust in online marketplaces. The results showed that trust in the seller community is an important factor to significantly determine the transaction intention of experienced buyers. Recently, Chiu et al. (2010) investigated trust for online auction repurchase intention. The results showed trust as a positive predictor of customer intentions to repeat purchases. The online auction online marketplaces, and online group buying are all online environment and similar in online transaction activities. Therefore, the following hypothesis is proposed:

H1. Trust positively affects online group repurchasing intention.

Satisfaction is the degree to which customers feel satisfied with or content with certain objects. Satisfied customers are more likely to repeat the same behavior. In the electronic market, vendors attempt to satisfy customers and expect continuous usage. Bhattacherjee (2001) showed that user satisfaction significantly influences continuance intentions of experienced users in an online banking environment. Similarly, Kim (2010) showed the significant effect of user satisfaction on continuance intention of experienced users in mobile data services (e-service). Online banking, mobile data services, and online group buying are all in the electronic marketplaces and similar in e-service. Therefore, the following hypothesis is proposed:

H2. Satisfaction positively affects online group repurchasing intention.

Altruistic people volunteer for online purchasing because they trust that their participation improves online group shopping for others and those e-vendors minimize the risk for participants. In the online environment, trust is an important factor (Beldad et al. 2010). Moreover, in the collective online purchasing environment, if a member helps others with little or no interest in a reward, he or she always gains the trust of others (Glaeser et al. 1999). A more altruistic behavior has more trust that exists in collaborative online shopping. Therefore, the following hypothesis is proposed:

H3. Altruism positively affects trust of online group buying.

Altruism is when a person performs a beneficial act for others without gaining a reward for his or her efforts (Hung et al. 2011). People participating in an activity may be partially determined by intrinsic motivation, for instance, the enjoyment of helping others (Hennig-Thurau et al. 2004; Lee et al. 2006). In an online environment, more group members contributing to an online purchase indicates enhanced group purchasing, resulting in group member satisfaction with the online shopping experience.
Therefore, the following hypothesis is proposed.

**H4. Altruism positively affects satisfaction of online group buying.**

In an online environment, trust is an important precondition for people’s adoption of electronic services (Beldad et al. 2010) and in reciprocal behavior studies. Lin et al. (2009) investigated and explained the relationships among contextual factors, personal perceptions of knowledge sharing, knowledge sharing behavior, and community loyalty. Their results showed a significant effect of reciprocity on trust in knowledge sharing. Similarly, reciprocity is members receiving reciprocal benefits from information exchange and finishing an online group purchasing. Online group buying members will believe exchanged information and have a feeling of trust. Then, a higher degree of given reciprocity indicates stronger trust perceived by the giver and the recipient. Therefore, the following hypothesis is proposed:

**H5. Reciprocity positively affects trust of online group buying.**

Reciprocity is when people or a firm, which contributes to others, may expect to receive rewards (Davenport & Prusak 1998; Hung et al. 2011). Wagner and Bukó (2005) investigated inter-organizational knowledge-sharing with different actors in networks. Their results showed that knowledge sharing with suppliers increased firm satisfaction. In online environment, members of a group sharing online group shopping information with others and receiving required information are pleased because of the smooth completion of their online purchasing experiences. Thus, a higher degree of given reciprocity results in stronger satisfaction perceived by the giver and the recipient. Therefore, the following hypothesis is proposed:

**H6. Reciprocity positively affects satisfaction of online group buying.**

Numerous e-vendors, including eBay, OnSale, Yahoo, and Amazon, have built a reputation system (Dellarocas et al. 2004). Online shopping members do not allow a member with low credibility to join their group purchasing again because of the low reputation. In a previous electronic market study, McKnight et al. (2002b) found that perceived e-vendor reputation significantly influenced consumer trust in the e-vendor. Teo and Liu (2007) also found that perceived reputation of an e-vendor is positively related to consumer trust. Therefore, the following hypothesis is proposed:

**H7. Reputation positively affects trust of online group buying.**

Reputation has been considered an important intangible asset of firms and people. From a firm’s perspective, a favorable reputation has a significant impact on consumer purchase decisions (Carmeli & Tishler 2005). Helm (2007) investigated the role of corporate reputation in determining investor satisfaction and loyalty. His results showed corporate reputation as a determinant in investor satisfaction. A group member participating in online shopping and with a good reputation implies the recognition of member behavior by other members. A good reputation fulfills the inner needs of a member for recognition and respect, resulting in group member satisfaction. Therefore, the following hypothesis is proposed:

**H8. Reputation positively affects satisfaction of online group buying.**

### 4 RESEARCH METHODOLOGY

#### 4.1 Measurement Development

Survey methodology was used to enhance generalizability of the results. All operational definitions of construct were adapted from related literature. Altruism was adapted from Davenport and Prusak (1998) to refer to the degree to which a person is willing to share online group shopping information without expecting a reward. Reciprocity was adapted from Davenport and Prusak (1998) to refer to a person sharing online group shopping information and expecting feedback. Reputation was adapted from Kankanhalli et al. (2005) to refer to the perception of increasing image and respect because of
sharing online group shopping information. Trust was adapted from Odekerken-Schroder et al. (2003) to refer to the confident belief in online group shopping. Satisfaction was adapted from Bhattacharyee (2001) to refer to the effect of feelings on prior online group shopping. Online group repurchasing intention was adapted from Fishbein and Ajzen (1975) to refer to the perception of people to perform a particular behavior. The measurement items were slightly modified to suit the context of online group repurchasing and adapted from related literatures. Items on this scale were scored on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The main survey was conducted after determining the content validity of the questionnaire. Table 2 shows a summary of the measurement items.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Measurement items</th>
<th>Adapted from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altruism</td>
<td>It feels good to help someone by sharing online group shopping information through Ihergo.</td>
<td>Kankanhanili et al. (2005)</td>
</tr>
<tr>
<td></td>
<td>Sharing online group shopping information with others through Ihergo gives me pleasure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I enjoy sharing online group shopping information with friends through Ihergo.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I enjoy helping others through sharing online group shopping information through Ihergo</td>
<td></td>
</tr>
<tr>
<td>Reciprocity</td>
<td>When I share my online group shopping information through Ihergo, I believe I will receive an answer for giving an answer.</td>
<td>Kankanhanili et al. (2005)</td>
</tr>
<tr>
<td></td>
<td>When I share my online group shopping information through Ihergo, I expect someone to respond when I need information.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>When I contribute online group shopping information to Ihergo, I expect to get back information when I need it.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>When I share online group shopping information through Ihergo, I believe that my queries for group shopping information will be answered in the future.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I find my participation in sharing online group shopping information through Ihergo to be advantageous to me and others.</td>
<td>Hsu and Lin (2008)</td>
</tr>
<tr>
<td>Reputation</td>
<td>Sharing online group shopping information improves my image with friends.</td>
<td>Kankanhanili et al. (2005)</td>
</tr>
<tr>
<td></td>
<td>People who share online group shopping information have more prestige than those who do not.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sharing online group shopping information improves others recognition of me.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I earn respect from others by sharing online group shopping information.</td>
<td>Hsu and Lin (2008)</td>
</tr>
<tr>
<td></td>
<td>Sharing online group shopping information enhances my personal status.</td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>Online group shopping gives me a feeling of trust.</td>
<td>Odekerken-Schroder et al. (2003)</td>
</tr>
<tr>
<td></td>
<td>I have trust in online group shopping.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Online group shopping gives me a trustworthy impression</td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>I feel satisfied with the overall experience of online group shopping.</td>
<td>Bhattacharyee (2001)</td>
</tr>
<tr>
<td></td>
<td>I feel pleased with the overall experience of online group shopping.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I feel content with the overall experience of online group shopping.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I feel delighted with the overall experience of online group shopping.</td>
<td></td>
</tr>
</tbody>
</table>
Online group repurchasing intention

| I intend to purchase items by online group shopping in the future. |
| I intend to learn more about how to use online group shopping in the future. |
| I highly recommend online group shopping to others. |

Ko et al. (2009)

Table 2. Measurement items and sources

4.2 Survey Administration

The research model was tested with data from online group buyers. To examine the effects of motivations on online group repurchasing intention, a field study on Ihergo (http://www.ihergo.com/) was chosen because it is the largest online group purchasing marketplace in Taiwan. Returned questionnaires on our web survey numbered 302 responses with 20 incomplete data, resulting in 282 valid responses for data analysis. Descriptive Statistics show that male is 50 percentages (N=141); female is also 50 percentages (N=141); age below 18 is 2.1 percentages; 19-22 years old is 20.9 percentages; 23-30 years old is 69.9 percentages; 31-45 years old is 6.4 percentages; above 46 years old is 0.7 percentages. Education below high school is 7.4 percentages; college is 70.2 percentages; above master degree is 22.3 percentage.

4.3 Data Analysis

The data in this study were examined using Partial Least Square (PLS). PLS has become increasingly more popular because of less restrictions on measurement scales, sample size, and residual distribution (Chin & Newsted 1999; O'Reilly et al. 2012), and because it analyzes both a measurement model and a structural model. The measurement model was evaluated by the criteria of reliability, convergent validity, and discriminate validity. Reliability was examined by composite reliability values above the 0.70 benchmark (Fornell & Larcker 1981). All values are above 0.70, indicating satisfactory reliability. Convergent validity was examined by all indicator loadings that were significant and exceeding 0.7 and average variance extracted (AVE) by each construct exceeding 0.50 (Fornell & Larcker 1981). All indicator loadings are above 0.70 and all AVEs exceeding 0.50, indicating satisfactory convergent validity. Discriminate validity is the square root of the AVE for each construct exceeding the correlation between others (Chin 1998). The results displayed in Table 3 show that all the criteria are met. These results indicate that the proposed models have good reliability and validity.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Factor correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>*AL</td>
</tr>
<tr>
<td>AL</td>
<td>4</td>
<td>0.88</td>
</tr>
<tr>
<td>RECI</td>
<td>5</td>
<td>0.65</td>
</tr>
<tr>
<td>REPUT</td>
<td>5</td>
<td>0.52</td>
</tr>
<tr>
<td>TRU</td>
<td>3</td>
<td>0.49</td>
</tr>
<tr>
<td>SAT</td>
<td>4</td>
<td>0.58</td>
</tr>
<tr>
<td>INT</td>
<td>3</td>
<td>0.55</td>
</tr>
</tbody>
</table>

*The diagonals represent the square root of average variance extracted (AVE)

Note: AL: Altruism RECI: Reciprocity REPUT: Reputation TRU: Trust SAT: Satisfaction INT: Online group repurchasing intention

Table 3. Correlations among Constructs

In structural model analysis, determining the significance and association of each hypothesized path
and the $R^2$ value is important. Figure 2 shows the standardized path coefficient and the significance of each path reported by PLS.

![Diagram](image)

* $p < .05$; ** $p < .01$; *** $p < .001$

**Figure 2. Results of SEM analyses**

Hypotheses 1 and 2 investigate the effect of online group repurchasing intention. Trust ($\beta = 0.402$, t-value $= 5.227$, $p < .001$) and satisfaction ($\beta = 0.272$, t-value $= 3.503$, $p < .001$) are positively related to online group repurchasing intention, and explain a significant percentage of the variance in continuance intention ($R^2 = 0.391$). These results support Hypotheses 1 and 2. Hypotheses 3, 5, and 7 investigate the effects on trust. Altruism ($\gamma = 0.146$, t-value $= 2.052$, $p < .05$), reciprocity ($\gamma = 0.399$, t-value $= 3.622$, $p < .01$), and reputation ($\gamma = 0.168$, t-value $= 3.069$, $p < .01$) are positively related to trust, and explain a significant percentage of the variance in trust ($R^2 = 0.370$). These results support Hypotheses 3, 5, and 7. Hypotheses 4, 6, and 8 investigate the effects on satisfaction. Altruism ($\gamma = 0.251$, t-value $= 3.110$, $p < .01$), reciprocity ($\gamma = 0.465$, t-value $= 6.190$, $p < .001$), and reputation ($\gamma = 0.058$, t-value $= 1.365$, $p > .05$) are positively related to trust, and explain a significant percentage of the variance in satisfaction ($R^2 = 0.474$). These results support Hypotheses 4 and 6. Reputation does not have a significant effect on satisfaction.

**5 DISCUSSION**

The results of this study provide support for the theoretical model and most of the proposed hypotheses, and add to existing research in validating group purchasing behavior in an online environment. The psychological process factors of trust and satisfaction have a significant positive effect on online group repurchasing intention. The results are consistent with those of previous investigations that concluded trust to have significant effect on user intention (Gefen et al. 2003; Pavlou & Gefen 2005; Chiu et al. 2010). The results of this study are also consistent with those of Bhattacharjee (2001) and Kim (2010), who concluded that satisfaction significantly influences the continuance intentions of experienced users. Online group shopping is more complex than online
shopping and requires reaching a certain number of purchases. A commercial transaction that finishes smoothly and fulfills customer needs results in customer satisfaction with online group purchasing and the desire to participate again in online group shopping. Satisfied consumers possess repurchase intention, whereas dissatisfied customers discontinue subsequent use (Oliver 1980; Bhattacheryee 2001).

This study examined effects of altruistic behavior (altruism) and egotistic behavior (reciprocity, and reputation) on trust. The results show that altruism has a significant positive effect on trust. People participating in collaborative online shopping are intrinsically motivated to share information with others because they enjoy helping others (McLure-Wasko & Faraj 2000). The results of helping others without expecting returns always increase the degree of trust in online group shopping activities. This result is similar to those of Lin et al. (2009), who found that reciprocity is a significant determinant of trust. The result of this study, that reputation significantly influences trust, is consistent with the outcome of McKnight et al. (2002b) and Teo and Liu (2007). Online shopping members favor highly credible members to join their group buying. Group members share information and experiences of online group shopping to enhance their good image, earn respect, and gain recognition, thus winning the confidence and trustworthiness of other members. Failure to focus on this area could damage future online group shopping opportunities.

The factors of altruistic behavior (altruism) and egotistic behavior (reciprocity) have significant positive effects on satisfaction in the overall experience of online group shopping, whereas reputation (egotistic behavior) does not. People feel contentment in helping others, which fulfills an inner desire. This altruistic behavior might be specific for human beings, in which a person senses pleasure from the happiness of others (Kawata 2010). Sharing information with others results in pleasure through collective shopping Web sites. Thus, altruistic behaviors affect satisfaction (Lehmann 2001). Reciprocity has significant positive effects on satisfaction, a finding similar to the results of Wagner and Bukó (2005). Participant sharing of online group shopping information always benefits the participant and others, such as cost down, conveniences, and products and services through collective online purchasing. Thus, collective online shoppers feel satisfaction because of needs fulfillment by reciprocal benefits and the positive overall experience of online group shopping activities. Finally, contrary to our hypothesis, reputation does not significantly influence satisfaction. The possible reason is that collective online shoppers have higher expectations of reputation for themselves. The responsive reputation always falls short of their expectations. Thus, reputation does not have significant effect on satisfaction.

6 CONCLUSION

This study investigated the effects of altruistic and egotistic motivations on online group repurchasing intention through the trust and satisfaction. Data collected from online group shopping provided empirical support for the proposed model. The results indicate that online group repurchasing intention is determined by both trust and satisfaction. Trust is determined primarily by reciprocity, followed by reputation and altruism, whereas satisfaction is determined primarily by reciprocity, followed by altruism. Reputation does not significantly affect satisfaction because of personal higher expectations of reputation. For online group shopping vendors (e-vendors), practitioners could provide altruistic activities, enhance reciprocal services and products, develop better reputation mechanisms, and present an easier approach to encourage online group shopping on the Web site. This study explains the importance of altruistic and egotistic behavior regarding online group repurchase value. Other factors influencing online group repurchase intention should be considered Future research may examine the effects of other factors, such as playfulness, self-esteem, self-efficacy, and financial rewards, task characteristics, the process, governance on online group repurchasing intention.
References


http://www.groupon.com/

http://www.yahoo.com/


