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THE ANTECEDENTS OF EXPECTATION AND CONTINUANCE ON INTERNET GROUP BUYING INTENTION: AN EXTENDED PERSPECTIVE ON EXPECTATION-CONFIRMATION THEORY

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ABSTRACT

With the rapid growth and wide application of network technologies, group buying websites have emerged as a major approach in e-commerce by negotiating deals with product/service providers and featuring a “deal of the day” in a set number of consumers as well as anticipated exchange for discounts. For example, Groupon, the largest worldwide group-buying website, sold more than 33.01 million coupons in the third quarter of 2011 and generated global revenue of 430.16 million U.S. dollars. Through the group buying participation, consumers can leverage their collective bargaining power to acquire products or services at discount prices when a minimum numbers of people are willing to make the purchase collectively [1]. Even an individual consumer can aggregate the purchasing power with other potential buyers, then benefiting from economies of scale and lower prices as big businesses do [2] [3]. Instead, if an item is not ordered in a sufficient requirement of quality or dollar amount within a specified time period, the deal will not be agreed by sellers [4].

In recent years, due to the emergence of social media and increase in social interaction online, Internet shopping has developed from individual purchase activities to a collective and social commerce, known as a C2B (customers to business) model. Consumers not only seek and purchase the daily-deal item, but also can proactively act as an agent to organize a group buying plan and invite others to purchase in bulk together so as to gain better prices or ensure the availability of obscure items. As Hughes and Beukes [5] describe, consumers develop their social interaction and share life experiences on the Internet, leading to the “co-creators of value”. However, most Internet shoppers are strangers online. Product/service defects or deal deception might happen and impair their purchase intention. Accordingly, the success of Internet group buying is not merely related to the functionality of group buying websites, but also depends on the evaluation of possible gain or loss during group buying transactions.

Expectation-Confirmation Theory (ECT), which was originally proposed by Oliver [6] in the consumer behavior research to study the purchase decision process, articulates that the positive or negative conformation between expectations and performance have an influence on consumers’ post-purchase satisfaction and repurchase behavior. Drawing upon ECT, the four main constructs (expectations, performance, confirmation, and satisfaction) have been adopted in the discipline of information systems (IS) and also combined with distinct technology acceptance aspects, including individuals’ perceived usefulness, self-efficacy, subjective norm, etc. to assess the effects on IS product or service continuance intention [7] [8] [9]. However, in the diverse and changeable e-commerce environment, Internet group buying consumers make the purchase decision in a collective manner, affected not only by product price or utility, but also derived from individuals’ psychological and emotional evaluation [1] [10] [11]. Besides, most previous ECT-related studies focus on the effect of conformation on satisfaction and do not elaborate on possible antecedents of consumer expectations in the pre-purchase stage and examine the subsequent influence on consumer continuance behavior.

Considering characteristics of collective power in Internet group buying, this study attempts to incorporate consumers’ psychological factors with ECT in the Internet group buying context by addressing the questions of (1) whether trust, perceived risk and attitude are the antecedents of potential consumers’ expectations for Internet group buying; (2) whether Internet group buying confirmation will further affect consumers’ psychological factors, i.e. trust and perceived risk as well as subsequent cognitive processes, including purchase satisfaction, and continuance intention of Internet group buying; and (3) whether any difference exists in consumers’ psychological perceptions as well as their purchase/continuance intention between pre-purchase and post-purchase stages. This study has proposed a research framework by formulating hypothesized relationships between consumers’ psychological factors and ECT constructs. A survey methodology was conducted in Taiwan to collect and analyze empirical data (207 valid survey responses) from several Chinese language-based Internet group buying sites. The research results demonstrate that, in the pre-purchase stage, consumers’ trust in group buying initiators and websites has significant impacts on their risk-perception and attitude towards Internet group buying, resulting in more positive expectations and group buying intention. Moreover, in the post-purchase stage, higher level of confirmation reflects higher trust and lower risk-perception. Consistent with ECT perspectives, consumers’ continuance intention of Internet group buying is significantly influenced by satisfaction. Finally, this study provides practical implication for Internet group buying vendors to identify critical psychological factors affecting group buying decision process and also extends ECT model with consumers’ psychological perceptions in e-commerce research.

Keywords: Internet group buying, Expectation-confirmation theory, Continuance intention

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