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Htaik (Lawrence) Sein
Jeng-Chung Victor Chen
William H. Ross

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THE IMPACT OF WEBSITES CHARACTERISTICS AND PERCEIVED RISK ON THE HEDONICS AND UTILITARIAN MOTIVATION THAT EFFECT ONLINE SHOPPING INTENTION

Sein Htaik (Lawrence), National Cheng Kung University, Taiwan, me@tharchaw.com
Jeng-Chung (Victor), Chen, National Cheng Kung University, Taiwan, victor@mail.ncku.edu.tw
William H. Ross, University of Wisconsin, La Crosse, Ross.will@uwlax.edu

ABSTRACT

Electronic commerce has become one of the essential characteristics in the Internet era. In recent year, many of the studies suggest characteristics of website (1) evoke feelings for hedonic and (2) confirm or negate beliefs of utilitarian type of consumers. Although an attitude toward website has been formed through cognitive and hedonic processes, these factors could strengthen or weaken the intention of purchase at the last minutes. The objective of this paper is to synthesize the existing literature to conducting the survey to discover how the difference perception of risk avoider and risk taker shopper whether existed or not in term of these two type of motivation and attitude toward website.

Keywords:  Website Characteristics, Hedonic, Utilitarian, Perceived Risk, Purchase Intention

INTRODUCTION

The internet is the most powerful tool to communicate with customers today and it is provided that websites are twenty-four hour available, no access boundaries as it can go across countries and everywhere, cost effective and very dynamic as contents can be updated with not much effort compared to other types of media. Internet not only has become the most efficient tool today that a library could have to distribute information but also its popularity has been increasing in retail business for the past decades. The Census Bureau of the Department of Commerce estimates U.S. retail e-commerce sales for the second quarter of 2007 were $33.6 billion, an increase of 6.4% from the first quarter of 2007. The second quarter of 2007 e-commerce estimate increased 20.8 percent (46.6%) from the second quarter of 2006 [1]. Tamimi and Sebastianelli [2,3] stated that the retail e-commerce sales in the United States continue to rise, signaling the pivotal role of the internet as an effective marketing channel. On-line retailing is rapidly emerging as an alternative mode of shopping and is expected to garner a substantial share of the retail market in future. Enhancement of Web site features that facilitate the navigation of the consumer through the purchasing stages is suggested as a means of overcoming these hurdles [4]. Tamimi et al. [5] conducted the most important factors were price displayed adjacent to the product, product description available and out of stock items labeled.

Other researchers also suggested that whether the retail store is real or virtual, customer interactions with the store environment influence their emotional responses and shopping behaviors [4][6]. Monsuwe et al. [7] who study was based on the constructs of the Technology Acceptance Model (TAM) of other previous researchers extended by exogenous factors and applies it to the online shopping context. His study suggested that not only consumers’ attitude toward online shopping that influences the purchase intention; but also there are exogenous factors such as consumer characteristics, product and so on. However, many other researchers provide opinions that there are also other factors that consumers concern about before making a purchase decision. Although an attitude toward website has been formed through cognitive and hedonic processes, these factors could strengthen or weaken the intention of purchase at the last minutes. These factors are such as security of online transactions [8][9], disclosure of their private and financial information [9]. Little of studies have been done to understand other factors that could strengthen or weaken purchase intention of online consumers after stage of attitude establishment. This study will mainly focus on online shopper’s motivation, attitude toward website and purchasing intention whether different or not depends on level of perceived risk.

LITERATURE REVIEW

Website Characteristics

Many researchers have studied how a website should be effectively designed so that its appearances, functions and so on create satisfactory perceptions to consumers which ultimately could contribute in stimulating feelings to purchase products from the online retail stores. Song and Zahedi [10] studied measuring the impact of Web-design elements on the beliefs and behavior of Web customers. Their finding was belief reinforcement model indicates that various categories of Web-design elements reinforce Web customers’ beliefs, which in turn positive impact attitudinal constructs that lead to changes in their purchase intentions. Tarafdar and Zhang [11] also identified and analyzed important characteristics from five different categories: Retail, Financial Services, News and Information, Search and Portal and Entertainment. Research by Palmer [12] illustrates website success in terms of six critical characteristics of websites and the relative importance of these characteristics varies across categories. Moreover, Web site success is significantly associated with Web site download delay (speed of access and display rate within the Web site), navigation (organization, arrangement, layout, and sequencing), content (amount and variety of product information), interactivity (customization and interactivity), and responsiveness (feedback options and FAQs).
Utilitarian Beliefs and Hedonic Feelings

In the past, many research works focused either utilitarian or hedonic but not both. Consumers are driven by motivations which are both hedonic and utilitarian when shopping from a variety of items ranging from jeans to automobiles. A general view of value recognizing both (1) a utilitarian outcome resulting from some type of conscious pursuit of an intended consequence and (2) an outcome related more spontaneous hedonic responses captures a basic duality of rewards for much human behavior. It reflects the distinction between performing an act “to get something” as opposed to doing it because “you love it” [3]. Hedonic products have been defined as, “those consumed primarily for affective or sensory gratification purposes, and functional products deliver more cognitively oriented benefits” [13]. Hedonic products which provide consumers feelings of more experiential pleasure, fun and excitement like designer clothes, sports cars, luxury watches, etc and utilitarian goods are primarily instrumental and functional with things like microwaves, minivans, personal computers, etc. [14][15]. Kim and Forsythe [16] proved that the hedonic motivation had a stronger positive relationship than functional motivations with the attitude toward using product virtualization technologies. Childers et al. [17] commented that people with utilitarian motivation are concerned with purchasing goods in an efficient way.

Attitude towards Website

Allport [18] defined an attitude as “a mental and neural state of readiness, organized through experience, exerting a directive or dynamic influence upon the individual’s response to all objects and situations with which it is related”. Fishbein and Ajzen [19], whose definition of attitude has been widely used for the past few decades, define attitude as “a learned predisposition needed to respond in a consistently favorable or unfavorable manner with respect to a given object”. A retailer’s success in online shopping and overall is believed to directly tied to the effectiveness of its website in eliciting consumers’ positive attitudes toward the website and toward the company and its products. As a consumer’s attitude toward an object can be recognized by the individual’s positive or negative evaluation of that object, consumers’ positive attitudes toward websites can be drawn from their favourable or unfavorable evaluations of those websites; thus, an effective website can evoke consumers’ positive attitudes toward that website [20]. Shim et al. [21] indicated that an attitude toward a behavior can be recognized by an individual’s positive or negative evaluation of a relevant behavior, which comprises a person’s beliefs regarding the perceived outcomes of performing the behavior. From this perspective, knowledge of consumers’ attitudes can help explain the reasons behind their favorable and unfavorable evaluations of an object or behaviour.

Perceived Risk

Perceived risk refers to “the nature and amount of risk perceived by [a] consumer in contemplating a particular purchase decision” [22]. According to Cox [23], uncertainty comes from identifying buying goals and matching these goals with product or brand offering. Two elements, uncertainty and consequences, may play significant roles in perceived risk. Uncertainty comes from the difficulty of identifying buying goals and matching these goals with product or brand offerings. Consumers search for information to deal with uncertainty and improve the consequences of a purchase decision that is perceived to be risky. Lee and Rao [24] defined perceived risk as an “Expectation of Loss”. The success of an external search relies on the amount of information available [25]. Even though consumers perceive the Internet as offering a number of benefits, the Internet tends to magnify some of the uncertainties involved with any purchase process [26].

Purchase Intention

Purchase intention represents “what we think we will buy” [27]. There are two types of purchase intentions: repurchase intentions and shopping intentions. Repurchase intentions reflect whether we anticipate buying the same product or brand again. Shopping intentions indicate where we plan on making our product purchases. Both internal and external information search may increase consumers’ intentions to shop or to repurchase on the Internet, which generally leads to the purchase stage of decision making [27]. According to Park and Stoel [28], both internal (e.g., brand familiarity, prior shopping experience) and external (e.g., website information) information search may increase consumers’ intentions to shop or to repurchase on the Internet, which generally leads to the purchase stage of decision making. People who had previous experience shopping on the Internet had higher intentions to purchase than those who did not have previous experience [29]. Brand familiarity also played an important role in shopping from the Internet. Consumers who were more familiar with a website’s brand were more likely to intend to purchase than consumers who were less familiar with a website’s brand. Finally, consumers exhibited a stronger intention to purchase from Internet websites that had a greater amount of information available than from those which had a lesser amount of information available [30]. Yoh [29] also found consumers who perceived higher social acceptance of online shopping had greater purchase intentions for products through the Internet compared to those who perceived less social acceptance of online shopping.

The Effects of Web Characteristics toward Utilitarian Beliefs and Hedonic Feelings

Web-site design studies [31][32] recognized that outcomes would be affected by the (hedonic or utilitarian) value derived by the shopper. The goal-oriented or utilitarian shopping has been described by various marketing scholars as task-oriented, efficient, rational, and deliberate [33]. Thus, goal-focused shoppers are transaction-oriented and desire to purchase what they want quickly and without distraction. Babin et al. [3] described utilitarian shopping value as this shopper may find value only if the shopping chore is completed successfully and, even better, if done in a fastidious manner. Utilitarian value may also result from a situationally involved consumer collecting information out of necessity rather than recreation. Perfection in online interface
design is elusive simply because there is no master list of what works. The most basic issue faced when designing a Web page is the amount of complexity versus simplicity [34]. Bad designed websites will make customers less likely to purchase, no matter how the product or brand attract them. Childers et al. [17] have studied in online shopping, utilitarian and hedonic motivations aspects are almost equally important predictors of online attitudes. Ease-of-use, usefulness and enjoyment are another interactive consumer experience at the same time. Mowen and Mowen [35] reported the use of the hedonic concept as one of the key strategies to enhance client-user attention. The conditions necessary to transform online information search into “play”, a highly positive experience capable of delivering intrinsic value in the form of escapism and enjoyment. [36]. Mathwick et al. [37] proposed that the contents of the Internet Websites will impact on consumers’ hedonic and effective experiences. Based on these discussions, the proposed hypotheses as follows:

H₁: Web characteristics is positively effect on the consumers’ utilitarian beliefs
H₂: Web characteristics is positively effect on the consumers’ hedonic feelings

The Effect of Website Characteristics toward Attitude toward Websites
Web-specific features such as virtual and online reservations systems are positive attitudes toward website [38]. Web design is an important factor to catch users’ eyes and retain them in the Web site they are visiting. The site needs to relate to its target audience through its look and feel and must provide relevant, high-quality content. The content also must be easy to find in the design and layout of the site. Content becomes more tangible, relevant, meaningful, and engaging through appropriate presentation factors. As the Web continues to develop and the amount of information increases, it is believed that a site’s information packaging will become increasingly crucial in catching users’ attention and interest [39]. Ghose and Dou [40] referred to the beauty and originality of design as the crucial factors for presenting a Web site. Kim and Eom [41] stated that satisfied customers have a higher chance of purchasing merchandise from the same store and remaining loyal customers. The design of a commercial Web site plays an important role in attracting, sustaining and retaining the interest of a consumer at a site. Researchers discussing the design rules of a commercial Web site emphasize important issues such as ease of navigation of the Web site, and the use of multimedia to develop its visual attractiveness [42]. According to Stevenson, Bruner II, and Kumar [43], simpler webpage backgrounds are more effective then more complex ones and more positive influence on attitude toward a website. Therefore, the following hypothesis is suggested, based on previous research:

H₃: Web characteristics is positively effect on the consumers’ attitude toward website

Relationship between Utilitarian and Hedonic Motivation and Attitude toward Websites
Hedonic differs from instrumental utilitarian, which entails shopping efficiency and making the right product choice based on logical assessment of product information [44]. Optimum stimulation level and recreational shopping (person variables) influenced the role hedonic value played in approach responses toward the website [44]. Within the TAM framework, usefulness of the interactive media can be thought of as reflecting the more instrumental aspects of shopping, while enjoyment embodies the hedonic aspect of shopping. While some consumers may be shopping primarily for instrumental purposes, others may be primarily enjoying these interactive media, and thus both factors can ultimately affect their attitude toward using interactive forms of shopping [45]. This characterization of technology adoption is consistent with research on retail shopping behavior, which has supported the presence of both utilitarian and hedonic motivations. Eroglu et al. [32] found that both pleasure and arousal had significant positive effects on approach responses toward the site, but emotional pleasure had a stronger mediating effect than emotional arousal. According to these discussions, the proposed hypotheses are as follows:

H₄: If utilitarian motivation increases, attitude toward websites will become more positive
H₅: If hedonic motivation increases, attitude toward websites will become more positive

Moderating Effect of Perceived Risks toward Utilitarian / Hedonic Motivation and Attitude toward Websites
A positive emotional state in 3-D advertising plays a positive role in reducing consumers’ performance risk [46]. Specifically, online transactions involve more perceived risk than traditional, face-to-face transactions and online purchasing over the Internet is a more recent information technology-related form of direct marketing, and is similarly perceived as higher risk by consumers [47]. Consumers perceived increase risk and made shoppers bad attitude toward website will avoid purchase from internet [9]. Yoh [29] found that people who had prior experience were willing to purchase through the internet with confidence. Intention to shop online is also influenced by consumers’ internet shopping history [21]. The perspective risk will effect the consumer’s motivation to purchase on the Internet. When the consumers have stronger perceptive risk to purchase on Internet, the consequences will unpleasant and slow shopping [48]. Therefore, hypotheses are developed as follows:

H₆: Utilitarian motivation is perceived differently between risk avoider shopper and risk taker shopper
H₇: Hedonic motivation is perceived differently between risk avoider shopper and risk taker shopper
H₈: There is no significant different between the attitude toward website of both risk avoider shopper and risk taker shopper

Interrelationship between Utilitarian and Hedonic motivation and Online Purchasing Intention
From the information systems literature [45], the Technology Acceptance model (TAM) was developed to understand workplace adoption of new technology. TAM postulates several conceptually independent determinants of a person’s attitude toward the websites technology, the first determinant is perceived “usefulness” of the technology and refers to the degree to which using the system or technology will improve the user’s performance in the workplace. TAM also postulates a second determinant, the ease of technology use. While usefulness refers to the outcome of the shopping experience, “ease of use” refers to the process leading to the final outcome. When shopping on the web, ease of use can be thought of as the process of using the new media while
engaging in shopping behavior. In the context of hedonic and utilitarian motivation, Okada [49] found that people have different attitude to hedonic and utilitarian goods. People are willing to pay more in time for hedonic goods and more in money for utilitarian goods. A choice task generally favors the option which is higher on the utilitarian dimension when both hedonic and utilitarian dimensions existed as Dhar and Wertenbroch [14] indicated. People may make the purchase decision, mostly, according to the superiority in utilitarian dimension rather than hedonic. Thus, the proposed hypotheses are as follows:

\[ H_0 \] Hedonic motivation has positive influence on online purchasing intention
\[ H_{10} \] Hedonic motivation has no significant influence on online purchasing intention
\[ H_{11} \] The influence of utilitarian motivation on purchasing intention is higher than of the hedonic motivation

**The Effect of Attitude toward Website toward Online Purchasing Intention**

Consumers’ attitudes are among the good predictors of future shopping behavior [50]. Behavior is determined by intention; this intention is determined by attitude and social norm toward behaving. Attitude plays a major role in shaping consumer behavior, which includes information search behavior and behavioral intention [21]. Many studies have addressed the role of attitudes in consumers’ purchase behavior. Belief reinforcement model (BRM) indicated that various categories of web-design elements reinforce web customers’ beliefs, which is positively impact attitudinal constructs that lead to changes in their purchase intention [10]. Shim et al. [21] showed that consumers’ attitudes toward internet shopping positively affected their intentions to purchase via the internet. According to above discussions, the proposed hypothesis is as follows:

\[ H_{12} \] Attitude toward website is positive effect on online purchasing intention

**RESEARCH IMPLICATION**

Because many apparel shoppers still hesitate to make purchases online and typically prefer shopping in traditional stores, online retailers are utilizing product virtualization technologies and reduce risk to enhance the online environment in order to attract consumers and encourage online purchases. Product virtualization technologies that allow online shoppers to view the product interactively not only deliver product information but also deliver a more entertaining shopping experience than can be obtained by static product images. This research has implications in developing retailer’ websites as a valuable channel for selling to, and interacting with, customers, and an important medium for communicating with the general public as well as potential customer. Designing effective websites requires an understanding of how Web shoppers’ reactions to websites can change in their belief and behavior. Understanding how online customers are affected by the exposure to website characteristics, potential impact of hedonic and utilitarian effect on consumer decisions whether casual perceived risk relationships exist between the two that helps predict their reactions to websites. Such an understanding promotes the development of more appropriate websites for e-commerce and increases the stickiness of websites for Web customers. The propose research model framework can help scholars and organizations to better understanding of the dynamics of online shopping field.

**REFERENCES**


