Transparency of Customer-Facing Order Processes: Can We Ever Have Too Much of a Good Thing?

TREO Talk Paper

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Abstract

Quality of products is often not sufficient for the company to remain prosperous in today’s competitive environment. Modern customers want to have access to additional digital services (e.g., instant customer support online, convenient access to order details, etc.). Information is a substantial part of such services. However, just like with any other information we receive, too much order information can have negative consequences – too many details can confuse customers, make them think company is attempting to obscure facts, etc. In this paper, we study transparency of the information that is exchanged between a company and a client, introducing the concept of digital information transparency (the degree of visibility of customer-facing business processes), and information provision (the amount of information the company is providing to customers as their orders are fulfilled).

Transparency as an information systems (IS) construct has been discussed from several perspectives, which mainly concern transparency of prices, its effect on the market, and strategic decisions in the e-commerce environment. Taking a different perspective and discussing digital information transparency as a service, we base our theoretical model on the Satisfaction-Service Quality Model by Spreng and Mackoy (1996) and Zones of Tolerance by Kettinger and Lee (2005), and propose that there exists a curvilinear relationship between information provision and customer satisfaction.

We propose that not all the information sent to the customers leads to the increase of the Perceived Digital Information Transparency (PDIT). Information should be relevant, timely, important, and delivered in a convenient way for the customer to perceive order processes of the company as visible. In addition, the levels of Desired Information Transparency (DIT) of the person are determined by situational characteristics of the order, such as trust in vendor, product importance, and product price. For example, for a customer purchasing a new iPhone X, the level of DIT would be higher than for a customer purchasing a used iPhone 5. PDIT will have a positive relationship with Customer information satisfaction. Relationship between PDIT and Customer Information Satisfaction will be moderated by DIT, such that: for levels of PDIT lower than DIT, the increase in PIT will have a positive relationship with CIS; and for levels of PDIT higher than DIT, the relationship will be curvilinear (diminishing effect).

There is no research on influence of information (business process transparency) on customers’ perceptions and behaviors. If the curvilinear relationship between transparency and satisfaction is confirmed, it proves that too much information leads to negative emotions and hurts the company, and, thus, companies should be careful about the content they send to their customers. In addition, business process information transparency has many positive outcomes if tuned properly to customers’ needs: increased trust, increased satisfaction, increased customer loyalty, etc. Understanding information transparency better will help companies tune up their information provision and make sure that their efforts are effective.

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