Diagnosing and Managing Online B2C Relationships: Toward a B2C Relationship Stage Theory

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Dissertation Abstract

This dissertation highlights the need for IS research in the area of eCommerce B2C relationships, and explores how relationship theory can be extended to IS research. Levinger’s (1980) Stage Theory provides the theoretical foundation for this research. The dissertation will include the conceptual development of a B2C Relationship Stage Theory (B2C-RST) framework. The second aspect of the dissertation will include the empirical testing of B2C-RST’s first stage, an applied theoretical eCommerce Attraction Model (eCAM).

Key Words

Business-to-Consumer Relationship Stage Theory (B2C-RST), Electronic Commerce, Customer Relationship Management (CRM), Stage Theory, Relationship Marketing

Introduction: Problem and Research Question

Customer relationship management (CRM) “involves attracting and keeping economically valuable customers, and repelling and eliminating economically invaluable ones” (Romano et al. 2002b p. 7). While the concept of CRM has its origins grounded in traditional marketing (i.e., relationship marketing), the rapid growth of the Internet and electronic commerce (EC) has ushered in a new phase in the evolution of CRM research. The Internet provides customers with an information technology (IT)-mediated interface (e.g., website) that offers a high degree of interactivity and control when communicating with organizations (Liu et al. 2002; Rayport et al. 2003). In turn, IT provides organizations with an unprecedented ability to gather, store, and utilize ‘profile and preference’ information to engage customers in one-to-one interaction (Wells et al. 1999). As a result of the perceived potential of IT-mediated CRM, the information systems (IS) academic community has been active in pursuing electronic commerce customer relationship management (eCRM) related research (Romano et al. 2002a; Romano et al. 2002b).

The Internet is a medium with many characteristics that differ from traditional commerce interactions. The Internet
Campbell-B2C Relationship Stage Theory

has shown to be more interactive, provides users with a higher level of control, and facilitates two-way communication (Liu et al. 2002). Due to the interactive nature of the Internet, further understanding of how this environment impacts EC relationships is warranted. There has been much work done in IS regarding the role of IT in forming customer relationships within an EC context. Nevertheless, a comprehensive review of this area has provided only limited theoretical insights (Romano et al. 2002a). Consequently, there is an opportunity to provide a new theoretical lens for examining B2C relationships. The question central to this dissertation is:

RQ: How can various online B2C relationship stages be identified, diagnosed, understood, and managed?

Importance of Research on this Topic

One avenue for gaining a deeper theoretical understanding of B2C relationships is to look to various relationship theories. A conceptual framework which applies relationship theory to an IS context may provide unique insights. Such a theoretical perspective may provide fruitful avenues for both practitioners’ and academics’ who investigate how various IT-artifacts influence B2C relationships. Table 1 illustrates how various theories utilized in IS research may be completed by the integration of an eCRM theoretical perspective.

<table>
<thead>
<tr>
<th>Alternative Theoretical perspective</th>
<th>Contribution summary</th>
<th>Complement of Relational View</th>
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</thead>
<tbody>
<tr>
<td>Technology Adoption Models: TAM (Davis 1989; Davis et al. 1989), UTAUT (Venkatesh et al. 2003), TPB and DTPB (Ajzen 1991; Taylor et al. 1995)</td>
<td>Identifies IT factors that predict technology acceptance</td>
<td>Post-adoption and B2C relationship focus</td>
</tr>
<tr>
<td>Other IT Use Theories: Innovation Diffusion Theory (Moore et al. 1991; Rogers 1995), Social Cognitive theory (Bandura 1986; Compeau et al. 1995)</td>
<td>Identifies Important IT factors that predict technology use</td>
<td>Relationship focus</td>
</tr>
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<td>Relationship Marketing: Commitment-Trust Theory of Relationship Marketing (Morgan et al. 1994), Five-Stage exchange relationship classification framework (Dwyer et al. 1987)</td>
<td>Identifies important stages and factors of a business relationship</td>
<td>Focus of IT-artifacts in B2C relationships, and in-depth examination of factors influencing each stage.</td>
</tr>
<tr>
<td>Continuance (Bhattacherjee 2001)</td>
<td>Identifies IT factors that predict continued use of IS</td>
<td>Adoption stages and B2C relationship focus</td>
</tr>
<tr>
<td>Agency theory (Bergen et al. 1992; Jensen et al. 1976)</td>
<td>Focuses on the role of economic returns of business relationships</td>
<td>Focus on IT-artifacts in B2C relationships</td>
</tr>
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<td>Other IS Lifecycle Models (Berthon et al. 1996; Ives et al. 1984; Parsons et al. 1998; Venkatesan et al. 2004)</td>
<td>Identifies the impact of IS on eCommerce lifecycles</td>
<td>Adds a relationship focus as well as deeper insight at each stage of a B2C relationship</td>
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Table 1: Illustration the contribution relational view can offer to IS research

This dissertation offers prescriptive insight for website development that could better facilitate B2C relationships by: 1) providing a theoretical foundation to study eCRM; and 2) providing a complement to existing IS theoretical perspectives for studying CRM, technology acceptance, and continuance in the context of EC. These two goals will be pursued by developing a framework for this research called the B2C Relationship Stage Theory (B2C-RST) using Stage Theory as the theoretical foundation for this work (Levinger 1980). Four different applied theoretical models are proposed as part of the
B2C-RST in order to detail the different stages of B2C relationships. The dissertation will also consist of an empirical investigation of the eCommerce Attraction Model (eCAM), which is the first of the four applied models in the stream of research proposed in the B2C-RST.

Research Approach and Methodology

This dissertation will consist of three essays. Essay 1 is a conceptual piece that instantiates Stage Theory in B2C relationships and develops a framework for studying eCRM called the B2C Relationship Stage Theory (B2C-RST). This essay proposes four applied theoretical models for each stage of a B2C relationship, Attraction, Build-Up, Maintenance, and Deterioration. Essay 2 will focus on developing a psychometric survey instrument to measure the constructs proposed for the first stage’s applied theoretical model, the eCommerce Attraction Model (eCAM). Essay 3 consists of three studies which empirically test the eCAM (see Figure 1).

![Figure 1. EC Attraction Model](image)

Current Status and Proposed Timeline for the Dissertation

<table>
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<th>Essay 1: Complete, and Invited to revise and resubmit to <em>Journal of the Association of Information Systems</em></th>
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<td>Essay 2:</td>
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<td>• Complete, and Invited to revise and resubmit to <em>Communications of the Association of Information Systems</em></td>
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<td>Essay 3:</td>
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<td>• Data collection and analysis for Studies 1-3: Competed</td>
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<tr>
<td>• Write up: In progress and to be completed Fall 07</td>
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References


