

Chapter 22

Creating Utilitarian and Hedonic Value from Website Quality and Online Retail Performance

Edward Shih-Tse Wang

National Chung Hsing University, Taichung, Taiwan

ABSTRACT

Although consumer-perceived utilitarian value and hedonic value have been considered essential antecedents of consumer behavior, few studies have investigated the effects of both website quality and online retail performance on consumer-perceived utilitarian value and hedonic value, which in turn affect consumers' relationship commitment. This study analyzed data from 394 online shoppers using structural equation modeling. The results revealed that both utilitarian and hedonic value significantly and positively affected relationship commitment. Information quality, system quality, service quality, and price fairness were revealed to significantly and positively affect the perceived utilitarian value of online stores, whereas system and service quality increased perceived hedonic value.

INTRODUCTION

Because the Internet is a popular shopping medium for consumers worldwide (Chen et al., 2013), retailers are increasingly shifting the focus of their business online. The Internet is thus continually transforming the retail sector (Blázquez, 2014). The number of online stores has grown considerably in the previous few years and the retail environment is increasingly competitive. Ensuring repeated visits from online shoppers and building store loyalty are some of the crucial challenges for online retailers. Consumers' perceived value plays a dominant role in the adoption of technology (Yang et al., 2012) and has received substantial attention in the marketing literature (Iniasta-Bonillo et al., 2012) because consumers' value judgments affect their satisfaction, preference, and loyalty levels (Overby and Lee, 2006). Therefore, online store managers have responded to these challenges by creating value in their online store.

Studies have considered two types of consumers' perceived value in an online shopping environment: utilitarian and hedonic value (Blázquez, 2014). Perceived utilitarian value is related to consumers' overall

DOI: 10.4018/978-1-7998-8957-1.ch022

assessment of a purchase—whether it fulfils their needs from a functional perspective—and perceived hedonic value is related to a product’s entertainment-related and emotional benefits (Chang and Tseng, 2013). One study emphasized that online vendors should consider whether their website provides adequate utilitarian and hedonic value to consumers during the website’s development (Chiu et al., 2009). Many studies have confirmed that perceived utilitarian and hedonic value affects consumers’ online shopping satisfaction (Yang and Wu, 2009), attitude toward a website (Chiagouris and Ray, 2010), preference (Overby and Lee, 2006), loyalty (Hung et al., 2010; Chen et al., 2013), online repurchase intention (Chang and Tseng, 2013), mobile Internet use intention (Yang et al., 2012), and Web 2.0 contribution behavior (Hung et al., 2010).

Several studies on online consumers have further explored the antecedent variables of utilitarian and hedonic value because of their demonstrated importance. Studies have revealed that consumers’ perceived utilitarian and hedonic value was affected by an e-store’s image (Chang and Tseng, 2013), the environmental attributes of the website (Charfi and Lombardot, 2015), e-service quality (Chen et al., 2013), novelty, flow, efficiency, and complementarities (Hung et al., 2010). In addition, recent research has investigated the effects of website quality dimensions (i.e., information, system, and service) on consumer-perceived utilitarian and hedonic value; the results revealed that system and service quality affected utilitarian shopping value, whereas information and service quality affected hedonic shopping value (Kim et al., 2012). The limitations of the study were that exogenous variables accounted for only 20.2% of the variance in hedonic value and 21.6% of the variance in utilitarian value; consequently, the authors suggested that other factors might have also affected the consumers’ perceptions of hedonic and utilitarian value. A clearer explanation of consumers’ perceptions can be provided by an integrated model that combines different perspectives than a model with a single perspective (Shih and Chen, 2013).

Service quality, product quality, and price fairness have been revealed as the three key retail performance factors affecting consumers’ online shopping experience (Kim et al., 2008) and online shopping experiences were demonstrated to produce utilitarian and hedonic value (Blázquez, 2014). The three key factors have been investigated for their direct effect on consumer satisfaction (Yieh et al., Chiu, 2007), transaction risk perceptions (Wang and Tsai, 2014), and retailer trust and loyalty (Yieh et al., 2007) in the context of bricks and mortar shops. Although researchers have asserted that website quality (Kim et al., 2012) and online retail performance (Kim et al., 2008) affect consumer-perceived product value, how the factors of website quality and online retail performance relate to specific value perceptions (i.e., perceived utilitarian and hedonic value) remains unclear.

HYPOTHESES DEVELOPMENT

Information quality refers to the completeness, detail, accuracy, timeliness, and reliability of information provided to customers (Ahn et al., 2003). Perceived utilitarian value is consumers’ overall assessment of whether an online shopping experience successfully enabled them to complete their shopping tasks and goals (Dubelaar et al., 2003). Goetzinger et al. (2003) suggested that online consumers’ concern about the quality of information available online after having previously received incorrect information can result in their not taking advantage of beneficial product offerings. Thus, high-quality product and service information enables online consumers to make superior purchasing decisions (Fang et al., 2011). Because higher quality information leads to superior buying decisions, researchers have indicated that

12 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/creating-utilitarian-and-hedonic-value-from-website-quality-and-online-retail-performance/281515

Related Content

Developing Secure E-Commerce in China

Michelle Fong (2004). *IT Solutions Series: E-Commerce Security: Advice from Experts* (pp. 98-111).

www.irma-international.org/chapter/developing-secure-commerce-china/24761

E-Service and Organizational Change: A Process Model

Chorng-Shyong Ong and Shang-Wei Wang (2011). *Journal of Electronic Commerce in Organizations* (pp. 39-51).

www.irma-international.org/article/service-organizational-change/62648

Achieving Agile Enterprise Through Integrated Process Management: From Planning to Work Execution

Ali Bahrami (2005). *International Journal of Cases on Electronic Commerce* (pp. 19-34).

www.irma-international.org/article/achieving-agile-enterprise-through-integrated/1486

Implementing and Managing a Large-Scale E-Service: A Case on the Mandatory Provident Fund Scheme in Hong Kong

Theodore H.K. Clark, Karl Reiner Lang and Will W.K. Ma (2006). *Cases on Electronic Commerce Technologies and Applications* (pp. 260-281).

www.irma-international.org/chapter/implementing-managing-large-scale-service/6232

The Privacy Paradox of CBDCs: Navigating the Intricate Balance Between Financial Innovation and Individual Privacy

Guneet Kaur (2024). *Exploring Central Bank Digital Currencies: Concepts, Frameworks, Models, and Challenges* (pp. 194-207).

www.irma-international.org/chapter/the-privacy-paradox-of-cbdcs/341670