Chapter 81

Uncertainty Avoidance and Consumer Cognitive Innovativeness in E-Commerce

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ABSTRACT

This article describes how despite the extensive academic interest in e-commerce, an investigation of consumer cognitive innovativeness towards new product purchase intention has been neglected. Based on the stimulus–organism–response (S–O–R) model, this study investigates the consumer cognitive in-novativeness and the moderating role of the individual consumer-level uncertainty avoidance cultural value towards new product purchase intention in business-to-consumer (B2C) e-commerce. Structural equation modelling, such as partial least squares (PLS) path modelling was used to test the model, using a sample of 255 participants in Australia who have had prior online shopping experience. The findings show that the online store web atmosphere influences consumers' cognitive innovativeness to purchase new products in countries with diverse degrees of uncertainty avoidance such as Australia. The results provide some guidance for a B2C website design based on how individual's uncertainty avoidance and cognitive innovativeness can aid the online consumer purchasing decision-making process.

INTRODUCTION

The primary way a business-to-consumer (B2C) e-commerce firm communicates with its consumers is through their website. According to the Australian Nielsen Connected Consumers Report (2016), a large number of consumers go to manufacturers' and retailers' website directly, with 65% of consumers visiting the retailer's website and 36% visiting the manufacturer's website for online purchase (Zrim, 2016). Therefore, it is necessary to evaluate the effectiveness of websites' components to understand whether online stores are providing the interaction desired by the consumers. E-retailers should provide important stimuli and ensure that their website offers unique benefits and values to encourage consumers to buy products online. If e-retailers intends to turn first-time consumers into repeat online consumers, the e-retail experience has to deliver unique value regarding the consumer's interaction with the website. In the area of B2C e-commerce, the web cognitive landscape refers to whether consumers believe that the information presented on the website makes it easy for them to purchase products. E-commerce web design is vital because businesses can lose 50% of the potential consumer due to consumer unable to find the product what they want (van der Merwe & Bekker, 2003). This means that the structural assurance of the website provided by the e-retailer should demonstrate a clear understanding of the reasons why consumers cognitively believe that they should shop at one specific website rather than at other ones (Li, Yen, Liu, & Chang, 2013).

Countries vary significantly on innovativeness as measured by consumer reluctance (Tellis, Yin, & Bell, 2009). The concept of consumer innovativeness denotes "inter-individual differences that characterize people's responses to new things" (Goldsmith & Foxall, 2003). The success of e-commerce also depends on a consumer's culture (Sohaib and Kang, 2015a) as culture influences consumer innovativeness. Often country is used as a proxy for culture at a group level; however, it is more appropriate to measure culture at the individual level because online purchasing is an individually oriented one-person action (Sohaib and Kang 2015b). The innovative consumer plays a vital role in the adoption of new products. There are at least three approaches to the conceptualisation of innovativeness: behavioural, global traits and domain-specific activity (Goldsmith & Foxall, 2003). Behavioural refers to whether consumers are innovators or non-innovators in their attitude to adopting new products, global traits are personality traits, while domain-specific activity denotes a consumer's innovativeness within specific product categories. The most significant aspect of behaviour is its connection to cognition. Behaviour results from some form of cognition (Faiola & Matei, 2006). Our concern is with the behavioural perspective of consumers' innovativeness, which identifies consumers as innovators or non-innovators depending on their purchase of a new product. A person's perceptions may change their attitudes to new products and ideas and their level of innovativeness (Rogers, 1995).

In the context of e-commerce, how consumers react to innovation, specifically whether consumers adopt new products or not, depends on their purchasing decision-making process and a variety of internal and external influences. The measurement of cognitive innovativeness is important to this process. Consumer perception of information is directly related to cognition (Ha, John, & Chung, 2016). In addition to this, cultural experiences influence cognitive processes (Faiola & Matei, 2006), for example, online transactions can provoke a high level of uncertainty (Sabiote, Frías, & Castañeda, 2012). The cultural value of uncertainty avoidance is significantly connected to innovativeness (Dobre, Dragomir, & Preda, 2009). Therefore, consumer innovativeness plays an important role in encouraging consumers to shop online.

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