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**UTILITARIAN AND HEDONIC VALUES
OF SHOPPING EXPERIENCE
IN CHINESE ONLINE C2C MARKET**

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**Utilitarian and Hedonic Values of Shopping Experience
in Chinese Online C2C Market**

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**A thesis submitted in partial fulfillment of the requirements
for the Degree of Master of Philosophy**

June 2011

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ABSTRACT

Online consumer-to-consumer (C2C) market is an emerging e-commerce market in China. How to survive and thrive in this attractive but competitive marketplace is a crucial issue for both scholars and practitioners. Many marketing practitioners are convinced that creating compelling online shopping experience is an effective way to attract consumers and sustain companies' long-term competitive advantages. However, there is a lack of systematic studies and empirical evidence on this issue. This study aims to conceptualize online shopping experience and examine both the utilitarian and hedonic values derived from online shopping experience. The utilitarian shopping value puts emphasis on the rational, instrumental, and efficient aspects of online shopping. The hedonic shopping value, by contrast, focuses on the emotional, enjoyable, and entertaining aspects of online shopping. By means of these two focal concepts, this study seeks to develop a conceptual framework based on the experiential consumption theory and the consumer involvement theory. The conceptual framework examines the causal relationships between online shopping values, satisfaction and loyalty as well as the moderating effects of consumer involvement in the relationships between online shopping values and customer satisfaction. An online survey involving the largest Chinese online C2C market -Taobao.com - was conducted to examine the fitness of the proposed conceptual framework.

The results of model testing indicate that both utilitarian and hedonic shopping values significantly impact customer satisfaction and loyalty in the Chinese online C2C market. Hedonic shopping value was found to have a stronger effect on satisfaction than

utilitarian shopping value. Satisfaction was found to be a full mediator between two types of online shopping values and loyalty. In addition, consumer involvement was found to moderate the positive relationship between utilitarian shopping value and satisfaction. The result showed that for consumers who are less involved in online shopping, utilitarian shopping value leads to greater customer satisfaction than for those who are more involved. However, this study did not report a significant moderating effect of consumer involvement in the relationship between hedonic shopping value and satisfaction. This result suggests that hedonic shopping value plays no different roles in satisfaction between the highly involved consumers and those who are less involved in online shopping. From a practical perspective, the findings suggest that C2C e-service providers should deliver both utilitarian and hedonic shopping values to their customers and make them feel satisfied. The results also indicate the opportunities to provide tailored services to different consumer segments based on their levels of online shopping involvement.

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CHAPTER 1 INTRODUCTION

This chapter introduces the current situation of the Chinese online Consumer to Consumer (C2C) market and the conceptual background of the study. Also, research gaps, problems, objectives, and the significance of the research are discussed. At the end of the chapter, outline of the dissertation is presented.

1.1 Background of the Study

Online shopping has been growing rapidly in China in recent years. Since late 1990s, the Internet has been used as an alternative channel for selling and buying products and services. There are three main online business models: B2C (Business-to-Consumer), B2B (Business-to-Business) and C2C (Consumer-to-Consumer) e-commerce (Strauss and Frost 2008). Since five years ago, C2C platforms have been playing an important role in Chinese e-commerce marketplace. In 2005, the number of participants in the Chinese online C2C market totaled 37.87 million, accounting for 35% of the 110 million Internet users (Li, Li, and Lin 2008; CNNIC 2005). The total transaction volume of the online C2C market jumped from 0.4 billion RMB in 2001 to 112 billion RMB in 2008 (Analysys International 2008). The market share of C2C platform in the Chinese online retail industry grew from 64.8% in 2003 to 91.0% in 2007 (Analysys International 2008). As one of important online business models, C2C platforms share the common properties of e-commerce industry and have some unique characteristics.

As an emerging market in China, e-commerce creates tremendous opportunities for entrepreneurs and managers. According to the 2010 Official Annual Report on the

Development of Internet in China released by China Internet Information Center (CNNIC), by December 2010, 457 million Chinese aged 6 and above have used the Internet. China has become the country with the greatest number of Internet users in the world (International Telecommunications Union 2010). In 2010, 34.3 percent of Chinese used the Internet, a substantial increase compared with 7.9 percent in 2005 (CNNIC 2006; CNNIC 2011). This percentage will rise continuously along with the rapid development of Internet technology. Almost 90 percent (89.2%) of Chinese Internet users accessed the Internet at home and marginally more than one third (33.7%) used the Internet in the workplace (CNNIC 2011). With the wide accessibility of the Internet to businesses and households, mounting numbers of Internet users are getting involved in online shopping. By the end of 2010, online shoppers had increased to 161 million, accounting for 35.1% of the 457 million Internet users in China (CNNIC 2011).

Although online shopping has been penetrating the Chinese population at a much faster rate than ever before, online shoppers still represent only 12% of the whole population and they are concentrated in prosperous regions (CNNIC 2011). With an exponential growth in the number of Internet users all over the country, the customer base of online businesses will increase. This creates potential opportunities for C2C platforms to broaden their available market.

Despite these potential opportunities, e-commerce comes with its own challenges. The online environment is turbulent and highly competitive. Consumers can easily search for and compare the information on products, services, prices, and promotions among

different e-service providers. The cost of switching among their websites is extremely low, so an e-service provider often faces fierce competition with numerous others who are just a “mouse-click” away (Semeijn, van Riel, van Birgelen, and Streukens 2005). A number of e-tailers find that it is difficult to trigger and maintain customer attention toward their websites, and it is a challenge to prevent customers from buying competitors’ products and services (Novak, Hoffman, and Yung 2000). Many business practitioners are struggling in this fiercely competitive online market.

As a relatively new online business model, C2C platforms face some unique challenges. They are pure e-service providers and their core competence is to set up intangible relationships between buyers and sellers and help them facilitate transactions. These C2C platforms, who are just intermediaries, do not have their own merchandise and logistic system. It is difficult for them to make use of offline tangible resources. Their website interfaces are the only “virtual stages” to interact with their customers. However, many website functions are easy to emulate. The similarity of their websites increases difficulty in catching e-customers’ “eyeball” attention (Papadopoulou, Andreou, Kanellis, and Martakos 2001; Urban, Sultan, and Qualls 2000). As such, it is essential for C2C platforms to create compelling and memorable shopping experience for their customers to distinguish themselves from their competitors.

In sum, the Chinese online C2C market is full of opportunities and challenges. How to survive and thrive in this fast-growing but competitive online market is a crucial issue for both practitioners and researchers. Numerous previous studies have shown that the

functions of a website play important roles in maintaining customer loyalty and making a profit (Cristobal, Flavián, and Guinalú 2007; Zeithaml, Parasuraman, and Malhotra 2002). Many scholars argue that user-friendly Web design and higher customer service quality can strengthen customer satisfaction, and then build up long-term customer relationships (Burke 2002; Danaher, Wilson, and Davis 2003). They suggest that online companies should allocate their assets to improve utilitarian aspects of online shopping, such as the download speed of WebPages, the availability of product information, navigation, search capability, customization, security/privacy, responsiveness, and reliability. However, with the development of Internet technology and increasing competition in the marketplace, these utilitarian features are no longer the key competitive tools. More recent consumer research yields insights relating to immersive and hedonic elements of a website (Bridges and Florsheim 2008).

The perspective of hedonic shopping behavior is grounded in experiential consumption theory. Hirschman and Holbrook (1982) argued that consumers are not only “problem solvers”, but also individuals who seek “fun, fantasy, arousal, sensory stimulation, and enjoyment” in shopping. Thus, online shopping experience may be improved by encouraging customers’ interest and excitement. From a company’s perspective, providing hedonic elements such as vivid graphics, interactive games or enjoyable activities on their websites may yield numerous positive outcomes (Bauer, Falk, and Hammerschmidt 2006). These elements will stimulate customers’ emotional responses and function as anchors to keep customers on a website. The longer the customers stay on a website, the more likely they will spend (Bridges and Florsheim 2008). If C2C

platforms can create enjoyable experience for their customers, they will trigger more visits hence more purchasing and gain advantages in the fierce competition. Therefore, not only utilitarian but also hedonic aspects of online shopping are fundamental to the success in online business.

Consumer involvement is another important concept to understand consumers' online shopping behavior. Consumer involvement is the level of importance a consumer attributes to an object, an action or an activity and the enthusiasm and interest he/she can generate (Beatty, Kahle, and Homer 1988). The consumers who are more involved in online shopping will spend more time on a website and search for more information than those who are less involved in (Beatty, Kahle, and Homer 1988). They are more likely to demonstrate emotional engagement (Holbrook and Hirschman 1982). In contrast, the customers who are less involved in online shopping prefer simplicity and ease. They attend to and comprehend less information about shopping situation than those highly involved consumers (Celsi and Olson 1988) and desire to accomplish shopping tasks in an efficient manner. Theoretically, involvement stems from a customer's perception of "intrinsic importance" and "personal meaning" of an issue (Sherif and Hovland 1961, p.197), so involvement is widely regarded as an individual difference variable, which can moderate the customers' reactions to shopping stimuli (Kapferer and Laurent 1985). If e-service providers can understand the behavioral preferences of the high-low involved consumers, they can apply appropriate strategies to attract different segments of consumers and increase their marketing effectiveness.

1.2 Research Gaps

Due to the fierce competition in online environment and the importance of attracting customers, many marketing managers give attention to creating compelling customer experience and incorporate this notion into their vision statements (Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros, and Schlesinger 2009). For instance, iTunes focuses on delivering innovative customer experience to sustain competitive advantages, while Amazon's vision statement is to become the Earth's most customer-centric company by providing the best customer experience. Similarly, eBay states that it creates positive customer experience by ensuring that anyone can buy and sell anything in the world's largest online marketplace.

Despite the recognition of the significance of customer experience by marketing practitioners, relevant academic research is scarce (Verhoef et al. 2009). In recent years, primary publications on this topic are found in practitioner-oriented journals (e.g., Berry, Carbone, and Haeckel 2002; Meyer and Schwager 2007; Tsai 2005; Frow and Payne 2007) and business books (e.g., Pine and Gilmore 1998, 1999; Schmitt 1999, 2003; Arussy 2002; Shaw and Iven 2005). These publications mainly use business cases to explain practical operations and managerial implications of customer experience. Only a limited number of studies discuss this concept from a theoretical viewpoint and little empirical evidence has been reported, particularly in the e-commerce context (Verhoef et al. 2009). Thus, further systematic scholarly research on customer experience is called for.

The mainstream literature in the e-commerce focuses on goal-oriented shopping behavior. Many scholars (Zeithaml, Parasuraman, and Malhotra 2002; Ribbink, van Riel, Liljander, and Streukens 2004) argue that when purchasing products or services online, customers are typically mission-oriented and entertainment-related criteria are not relevant. After conducting an online survey, Mathwick, Malhotra, and Rigdon (2001) compared the experiential value between the catalog and Internet shopping environment and concluded that online shopping environment may offer broad commoditization of products and services but little experiential value. In a similar vein, Weolfinbarger and Gilly (2003) examined the dimensionality of online service experience based on online and offline focus groups, and an online survey. Although some participants in the focus groups emphasized the importance of experiential attributes of websites, the final reliable and valid eTailQ scale eliminated the items referring to hedonic aspects of online shopping. The authors explained that atmospheric/experiential elements may be desirable in some types of commercial websites (e.g., portal sites, social network sites, entertainment websites, and news websites), but these elements are not important in the online retail setting.

In the offline environment, marketers and scholars have acknowledged that values derived from shopping experience include both utilitarian and hedonic components. Babin, Darden, and Griffin (1994) and Mathwick, Malhotra, and Rigdon (2001) note that if shopping trips are assessed only in terms of utilitarian benefits of acquiring products or services, numerous intangible and emotional aspects related to shopping experience are omitted. Relevant research has investigated how atmospheric variables

(i.e., scents, music, tactile impression and color) influence customers' affective responses to a retailer (Boulding, Kalra, Staelin, and Zeithaml 1993; Naylor et al. 2008). Some other studies found that more visible and friendly salespeople have a positive effect on customers' feelings and satisfaction (Grace and O'Cass 2004; Baker, Grewal, and Levy 1992).

However, very few studies have examined hedonic shopping value in the online setting. This may be because the online setting doesn't have some key interaction features of traditional shopping setting (e.g., interacting with a salesperson, feeling the store atmosphere, and touching or trying the merchandise). These interaction features are frequently cited as the major antecedents of customers' immediate excitement, which is an important component of hedonic value (Bitner 1990; Li, Daugherty, and Biocca 2001; Wolfenbarger and Gilly 2001). Thus, there is an increasing need to examine whether hedonic shopping value is important or not in the online retail context.

Previous retail research has shown that utilitarian and hedonic shopping values may yield numerous positive consequences for retailers (e.g., satisfaction and loyalty), but scholars are far from reaching agreement on these issues. Some scholars (Bridges and Florsheim 2008; Sénécal, Gharbi, and Nantel 2002; Childers, Carr, Peck, and Carson 2001) examine the consequences of both shopping values and argue that functional factors of shopping are essential determinants of purchase intention. However, hedonic factors of shopping are positively related to customers' attitudes such as satisfaction but unrelated to behavioral outcomes such as purchasing intention or loyalty. Dhar and

Wertenbroch (2000) investigated the influence of utilitarian and hedonic shopping attributes on consumer decision-making behavior. They found that hedonic-oriented factor is a secondary factor in making a purchasing decision. By contrast, other researchers (Wolfenbarger and Gilly 2003; Bauer, Falk, and Hammerschmidt 2006) found that enjoyment is a primary factor in influencing relationship duration and repurchase intention. Hedonic store attributes can directly increase store loyalty without having to operate through customer satisfaction (Yun and Good 2007). Babin and Attaway (2000) found that customers who have positive feelings about a retailer are more satisfied with it and more likely to purchase from it than those who do not. Given the inconclusive and contradictory findings in the existing literature, it is worth further exploring the consequences of utilitarian and hedonic shopping values.

Lastly, while a great deal of research effort has concentrated on the consequences of shopping values, possible moderating effects on the relationships between shopping values and other retail outcomes cannot be overlooked. Some scholars have suggested that investigating the effect of potential moderators (e.g., consumer characteristics and situational factors) on different shopping values would be valuable (Mathwich, Malhotra, and Rigdon 2001; Monsuwé, Dellaert, and Ruyter 2004). Among various consumer characteristics, involvement is an important concept to describe individuals' motivation or interest and has often been regarded as one of important moderators that affect consumer behavior (Celsi and Olson 1988; Mittal and Kamakura 2001). However, little empirical research has examined the moderation effect of consumer involvement on the relationships between shopping values and satisfaction, especially in e-commerce

setting. Therefore, a shopping value model extended by incorporating the moderating role of consumer involvement awaits an empirical testing.

1.3 Research Questions and Objectives

Owing to a scarcity of empirical work on values derived from shopping experience in the online C2C market, this study attempts to address the following three questions:

- (1) How to define shopping experience in the online environment?
- (2) How utilitarian and hedonic values of shopping experience contribute to customer satisfaction and loyalty?
- (3) Does consumer involvement moderate the relations between shopping values and customer satisfaction?

To answer these questions, the present study sets out to conduct an online survey to achieve the following three objectives:

- (1) To shed light on the conceptualization of online shopping experience;
- (2) To investigate the effect of values of online shopping experience on satisfaction and loyalty;
- (3) To examine the moderating role of consumer involvement in the relationships between online shopping values and customer satisfaction.

1.4 Significance of the Study

First of all, this study supplements the existing literature on customer experience by providing empirical evidence. While a number of researchers emphasize the importance of customer experience, the definition and operationalization are still not clear. By interpreting the nature of customer experience and examining one important form of customer experience, i.e., shopping experience in the Chinese online C2C market, this study adds to existing literature and responds to researchers' calls for more systematic studies on customer experience.

Second, the present study tests the experiential consumption theory in online retail situation (Hirschman and Holbrook 1982). The dominant paradigm in online service research is rooted in the technology acceptance model (TAM) and transaction-cost analysis (TCA) (Davis 1989; Davis, Bagozzi, and Warshaw 1989; Monsuwé, Dellaert, and Ruyter 2004). However, both models imply that the e-consumer is an intelligent, rational, and thinking individual, who always makes a reasoned decision and desires to maximize functional utility. The technology acceptance model (TAM) proposes that two facets - "perceived usefulness" and "perceived ease-to-use" are major determinants of customers' attitude toward using online service. The former refers to the degree to which a person believes that using an online service will improve his/her performance or productivity and the latter means the extent to which a person believes that using an online service will be free of effort. Transaction cost analysis (TCA) focuses on transaction uncertainty, asset specificity, and frequency. Devaraj, Fan, and Kohli (2002) applied transaction cost analysis (TCA) to the e-commerce research and found that the

efficiency of online transaction is determined by perceived ease of use, time efficiency and price saving. A combination of TAM and TCA models may help in explaining the greatest part of customer satisfaction with online service (Devaraj, Fan, and Kohli 2002). Experiential consumption theory extends the rational orientation toward consumer behavior and suggests that both hedonic responses and other more functional attributes are crucial elements of consumption (Holbrook and Hirschman 1982; Holbrook and Corfman 1985). Utilizing an experiential consumption perspective, this study aims not to replace the dominant theories of online shopping behavior but rather to extend and enhance their applicability.

Finally, this study tests the theory of involvement by evaluating the moderating role of consumer involvement with online shopping. Although the moderating role of involvement in the consumer behavior literature has been widely discussed (Suh and Yi 2006), few studies have been concerned with the moderation effect of involvement in the relationships between hedonic or utilitarian shopping values and customer satisfaction. The present study examines the moderation effect of consumer involvement and extends the involvement theory by providing empirical support within the Chinese online C2C market.

1.5 Outline of the Dissertation

This section of the dissertation has set out the introduction of the study, covering research background, research questions and objectives, as well as the significance of the study. Other sections of the dissertation are structured as follows. First, relevant

literature concerning four key concepts, namely, shopping values, consumer involvement, satisfaction and loyalty is reviewed. Second, a conceptual framework and proposed hypotheses are formulated based on the comprehensive literature review. Next, details of research methodology are given, including the development of the questionnaire, operationalization measures for each construct, data collection procedures, and data analysis methods. Then, the results of the model estimation are shown and the research findings are elaborated. Finally, theoretical contributions and practical implications are presented followed by limitations and future research directions.

CHAPTER 2 LITERATURE REVIEW

This chapter presents first a summary of the characteristics of online C2C market. This is followed by the literature on shopping values, including both utilitarian and hedonic aspects. Studies on consumer involvement are then examined. Lastly, two crucial consumer behavioral constructs - satisfaction and loyalty – are interpreted. The purpose of this review is to provide an examination of previous research, and present a rationale for the choice of constructs in the present study.

2.1 The Characteristics of Online C2C Market

As an important online business model, C2C platforms share common characteristics with e-commerce. The e-commerce possesses certain information-delivering methods and interactive formats which distinguish it in many ways from the traditional marketplace. Online and offline environments present different shopping experience even when customers purchase the same products or services. Many physical factors that influence traditional shopping experience (e.g., wide aisles, accessible shelves, less “traffic” or aisle congestion) are not effective in the online setting. Before justifying the rationale of this research, it is important to identify the similarities and differences between traditional and online shopping environments. After reviewing a great amount of literature (e.g., Monsuwé, Dellaert, and Ruyter 2004; Yun and Good 2007; Grewal, Iyer, and Levy 2004; Srinivasan, Anderson, and Ponnnavolu 2002; Burke 2002; Danaher, Wilson, and Davis 2003; Flavián, Guinalú, and Gurrea 2006; Chen and Chang 2003; Reichheld and Schefter 2000; Liebermann and Stashevsky 2002), the characteristics of online and offline shopping settings are illustrated in Table 2.1.

Table 2.1 Characteristics of Online and Offline Shopping Settings

Characteristics	Online Shopping Setting	Offline Shopping Setting
Store Atmosphere	Lack of interaction with service employees and salespersons	Interaction with service employees and salespersons
	Lack of physical examination of products; limited to image quality and product description	Touch and examine the products
	Feel the “flat” store atmosphere (visual stimuli)	Feel the physical store atmosphere (scents, music, light, temperature)
	Lack of mingling with crowds and face-to-face social interaction while shopping with friends and family	Experience impacted by other customers and social interaction while shopping with friends and family
Assurance	Lack of security and privacy	Physical guarantee
Opening hours	24/7	Regular working hours
Space	Unlimited store space; extensive product selection and volumes of information	Limited store space; limited variety and assortment of products
Location	Location irrelevant	Limited by location
Personalization	Personalizing their services to customers’ individual needs based on data mining	Mass customization
Search capability	Superior search capability; easy comparison of brands, products and prices	Search limited products or brands; higher searching cost
Service pattern	Self-service; clerk on the phone/e-mail; virtual shopping cart; order form; online payment	Salesclerk service; shopping basket/cart; checkout cashier
Price/promotion	Low price; online games and lotteries; special offers	Special offers; salesperson; trade show; coupons
Display	Home Page	Store window displays
Layout	Featured products on hierarchical levels of the link; the number of links to a particular product category	Aisle products on different floors in the store; number of store entrances and store outlets/branches

Compared with brick-and-mortar stores, online channels have many advantages. In the traditional retail industry, the frequently referenced response to the question, “What are the three most important things in retailing?” is “The location, location, location” (Levy and Weitz 2009). Without the constraint of location, online channels can access more potential customers. These customers can shop at different locations 24 hr/7 days a week (Monswé, Dellaert, and Ruyter 2004; Yoon 2002). In addition, customers normally visit physical stores that are nearby and rarely patronize a range of stores before they make a purchase decision. In the online environment, customers can acquire product information easily and get exposure to a broad array of product and service alternatives (McKinney, Yoon, and Zahedi 2002; Burke 2002; Childers et al. 2001). They can efficiently compare and evaluate discrete offers using various analytical tools (e.g., search engines, online reviews, and top sellers). The reduction of search cost and the increase of search efficiency are crucial advantages of online setting (Chen and Chang 2003; Ghosh 1998).

Saving cost is another important feature attracting customers to shop online. The cost includes time, energy, and money. Time is a precious resource for all customers but especially for those who have limited free time. Online shopping is an excellent choice to save time and energy. The online channel offers a single “stop” shopping that eliminates travel to and from a variety of stores (Childers et al. 2001). Online shopping avoids long checkout lines and provides a fast e-payment system (Yun and Good 2007; Srinivasan, Anderson, and Ponnayolu 2002). Online technology can tailor the website appearance and service offerings to customers’ need and reduce endless searching or

comparing (Ribbink et al. 2004). One more benefit of online shopping is saving money. Online channels save some traditional retail costs (e.g., retailers' rental expense, salespersons' commissions, and the cost of holding inventory), so customers can purchase cheaper products and gain their economic benefit from online shopping (Kim and Stoel 2004).

However, the online environment also has a number of disadvantages. Among the disadvantages of online stores, an oft-cited one is the absence of the actual experience of visiting the store and physically examining a product prior to purchase (Alba, Lynch, Weitz, Janiszewski, Lutz, Sawyer, and Wood 1997). Multisensory information is an important aspect of direct experience and a study carried out at a grocery store found that consumers who touched the products or tasted free snack samples were more likely to purchase the items than those who never examined the products (Hornik 1992). Additionally, Childers et al. (2001) proposed that for salient haptic attributes (i.e., texture, hardness, temperature, and weight) direct examination in-person is particularly critical because without it customers were less confident in their choice. Although today's new media techniques (e.g., video, animation, and three-dimensional space design) compensate for visual deficiencies of online shopping, the lack of certain senses (taste, smell, and particularly touch) is still the vital reason deterring individuals from engaging in online shopping (Childers et al. 2001; Monsuwé, Dellaert, and Ruyter 2004).

Lack of face-to-face contact with service employees and salespersons is another factor that influences consumers' acceptance of e-commerce. In the offline setting, customers'

confidence is highly related to the salesperson's expertise, likeability, and similarity to the customers (Doney and Cannon 1997). However, in the online setting, customers interact with a website interface (e.g., help button, product description, and FAQ) and cannot obtain the direct face-to-face assistance from a salesperson (Semeijn et al. 2005; Papadopoulou et al. 2001). This situation creates a sense of helplessness among online shoppers. Additionally, online shoppers cannot physically feel the store atmosphere (e.g., scents, music, light, tactile input, and temperature), but environmental psychology theory has shown that the physical facilities (e.g., store layout) and ambient factors (e.g., music) can stimulate customers' affective responses, which can influence their purchase intention (Wakefield and Blodgett 1999).

In e-commerce, both Business-to-Consumer (B2C) e-tailers and Consumer-to-Consumer (C2C) platforms are important players. Unlike the burgeoning literature on B2C e-commerce, online C2C market has seldom been taken into consideration. Although there are certain challenges shared by both B2C e-tailers and C2C platforms, C2C platforms face some unique problems. B2C e-tailers can rely on their products and conduct direct economic exchanges with customers. C2C platforms do not hold their own merchandise, but serve only as "agents" for buyers and sellers to complete transactions. B2C online vendors can improve customer satisfaction and retain customer loyalty by employing an effective offline distribution system. C2C platforms cannot control the offline product fulfillment process, which is a main source of dissatisfaction and disputes (Semeijn et al. 2005). What C2C platforms can depend on is the superior service delivered by their website interfaces. Thus, how to make the most of their website interfaces to create

compelling shopping experience and build an enduring relationship with customers is a vital issue in the online C2C market.

2.2 Values of Online Shopping Experience

2.2.1 Definition of Online Shopping Experience

In recent years, customer experience has attracted a great deal of marketing practitioners' attention. For instance, a study undertaken by Marketing Week points out that 71% of senior executives in the U.S. and U.K. claimed that customer experience is the next big battleground (Adele 2003). In the same vein, Jeff Bezos, the founder and CEO of Amazon.com, further confirmed that "In the offline world . . . 30% of a company's resources are spent providing a good customer experience and 70% go to marketing. But online . . . 70% should be devoted to creating a great customer experience and 30% should be spent on 'shouting' about it" (*Business Week*, March 22, 1999. p. EB30). Poor customer experience can devastate companies' revenues. A report offered by UsabilityNet (2006) demonstrates that as many as 82% of e-customers attempted to purchase but gave up their purchasing decision because of poor online shopping experience. Along with the popularity of customer experience in business practice, many researchers are now engaged in the discussion of this concept. The problem is that the notion of customer experience is seemingly commonplace, but it is not easy to arrive at an exact and widely accepted meaning.

Academic research on customer experience is still in a nascent stage. Over the past two decades, many experts have endeavored to illustrate this construct from different

perspectives. The pioneers are Morris Holbrook and his co-author Elizabeth Hirschman (1982). In their influential work, they highlight the importance of the “experiential view”, which focuses on the symbolic, hedonic, and esthetic aspects of consumption. This view regards consumption as a subjective state of consciousness directed to the pursuit of multisensory, fantasy, feeling, and fun.

In spite of these initial sparks, the concept of customer experience came to the fore only in the 1990s. In the book *The Experience Economy*, Pine and Gilmore (1999) view the “experience” as the fourth economic offering, which emerges as the next step after commodities, goods and services in what they call “the progression of economic value”. They tend to distinguish services and experiences; the former is intangible and offers customized benefits, while the latter is memorable and provides personal sensation. To sustain a long-lasting competitive advantage, retailers should redefine themselves as a source of compelling memories, rather than goods or services, as an “experience stager” rather than a service provider.

In more recent times, a wide range of philosophers and researchers have endeavored to explain customer experience (Schmitt 1999, 2003; Addis and Holbrook 2001; Berry, Carbone, and Haeckel 2002; Smith and Wheeler 2002; LaSalle and Britton 2003; Prahalad and Ramaswamy 2004; Shaw and Ivens 2005; Grewal, Levy, and Kumar 2009). However, due to the complexity and ambiguity of this construct, considerable confusion still exists in terms of a precise conceptualization and reasonable dimensions. Borrowing an analogy in the form of a paraphrase from the emotion literature

“Everyone knows what [experience] is, until asked to give a definition. Then it seems, nobody knows.”(Fehr and Russell 1984, p. 464), I also struggled considerably when defining this concept. Therefore, before giving a definition, five common aspects of customer experience are analyzed so as to provide a firm foundation for the definition.

The first consideration is that customer experience includes both rational and emotional aspects. In classical economy and marketing area, customers are primarily regarded as rational decision makers. They examine functional utility of a choice and try to optimize a cost-benefit ratio (Zeithaml 1988). However, this reasoned action perspective may neglect several consumption phenomena, such as fantasies, sensory pleasure, daydreams, emotions, fun, entertainment, and reactions. This means that rational problem solving is not enough, emotional and irrational aspects of consumer behavior also need to be taken into account (Addis and Holbrook 2001; Shaw and Ivens 2005; Mascarenhas, Kesavan, and Bernacchi 2006). Customer experience should be portrayed as both instrumental (utilitarian) and emotional (hedonic). For utilitarian aspect, the instrumental, beneficial, tangible, and objective nature of consumption is a central focus; for hedonic aspect, the esthetic, enjoyable, intangible and subjective nature of consumption is a key criterion (Holbrook and Hirschman 1982).

Another consideration is that customer experience is holistic in nature (Verhoef et al. 2009; Frown and Payne 2007; Tsai 2005) and influences buyer-seller contact at all touch points (Mascarenhas, Kesavan, and Bernacchi 2006; Grewal, Levy, and Kumar 2009; Frow and Payne 2007). Customer experience is not a transaction-based or outcome-

oriented notion, but a “continuous” process-oriented idea (Schmitt 1999, 2003; Gentile, Spiller, and Noci 2007). The “continuous” process encompasses every aspect of a company’s offering (Meyer and Schwager 2007) and can be viewed as an entire shopping journey - from the expectations customers have before the experience to the evaluations when it is over (Berry, Carbone, and Haeckel 2002; LaSalle and Britton 2003). Customer experience varies across contexts, products, services and time. Accordingly, to enable the customers to experience the entire memorable journey, even surpassing their expectations, companies ought to pay great attention to all details (Gentile, Spiller, and Noci 2007). Neglecting even a single facet can induce a negative impact on the customers’ evaluation of the companies (Tsai 2005; Berry, Carbone, and Haeckel 2002).

A third aspect of customer experience is that it originates from “subject-object interaction” (Holbrook 1994; Brakus 2001). The “subject” means a particular customer whereas the “object” may cover any stimuli (i.e., any good, service, person, place, thing, event, or idea). During the interaction, these two entities play different roles in the overall customer experience, but both create important values for the consumption activities. The object embodies certain features or objective characteristics (such as function, efficiency, quality, quantity, security, and so on), while the subject (the customer) embodies subjective responses (such as sensation, feeling, emotion, cognition, and action) (Addis and Holbrook 2001; Verhoef et al. 2009; Brakus, Schmitt, and Zarantonello 2009). Consumption experience entails both stimuli’s features and customers’ subjective responses. Although the relative weight assigned to subjective

response and objective feature may be diverse among different kinds of consumption experience, there is no possibility of disconnecting their relation (Gentile, Spiller, and Noci 2007; Addis and Holbrook 2001). Companies need to monitor the whole range of possible patterns of interaction with customers and identify every customer response.

A further fundamental point in relation to customer experience is based on the fact that it is inherently internal and personal. As Gentile, Spiller, and Noci (2007) and Mascarenhas, Kesavan, and Bernacchi (2006) indicate, customer experience is strictly personal and thus very difficult to be shared by others. Experience exists only in the mind of an individual who has been engaged in a specific encounter. For the same encounter, individuals may respond differently (Tsai 2005) on the basis of their personalities, preferences, previous knowledge and state of mind (Pine and Gilmore 1999). Thus, no two people can have exactly the same experience.

Finally, customer experience is a genuinely customer-focused viewpoint. While opinions vary across studies, there is a consensus that the essence of customer experience is an improved way to judge the well-known concept of consumption and places a true and strong focus on customers (Schmitt 2003; Gentile, Spiller, and Noci 2007). The service providers should consider every customer as a real person, rather than as a source of profit (Schmitt 2003; LaSalle and Britton 2003). In the service economy, the customer-focused viewpoint is rooted in “mass customization”, which is adapted to satisfy identified common needs for different customer segments. The provided service develops from what a company knows about a customer (Meyer and

Schwager 2007). In the experience economy, customer-focus means “personalized experience”, which involves in a co-creation process - the company provides the basic platform, raw materials and instructions while the customers use these resources to create and obtain their own experience (Schmitt 1999; Prahalad and Ramaswamy 2004; Gentile et al. 2007; Tsai 2005; Frow and Payne 2007). “Mass customization” emphasizes the role of the company, whereas “personalized experience” emphasizes the role of the customers. Companies need to encourage every customer to participate in value-creation process, become more responsive to every customer and incorporate customer insights into the companies’ strategies (Shaw and Iven 2005; Mascarenhas et al. 2006).

Building from these insights, Gentile, Spiller, and Noci (2007, p. 397) provided a definition of customer experience:

The customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly personal and implies the customer’s involvement at different levels (rational, emotional, sensorial, physical, and spiritual). Its evaluation depends on the comparison between a customer’s expectations and the stimuli coming from the interaction with the company and its offering in correspondence of the different moments of contact.

After conducting qualitative case studies, Meyer and Schwager (2007, p.118) arrived at their definition as follows:

Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representatives of a company's products, services or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews and so forth.

In a special issue of the *Journal of Retailing* on "Enhancing the Retail Customer Experience", Verhoef et al. (2009, p.32) suggested the following conceptualization of customer experience:

Customer experience construct is holistic in nature and involves the customer's cognitive, affective, emotional, social and physical responses to the retailer. This experience is created not only by those factors that the retailer can control (e.g., service interface, retail atmosphere, assortment, price), but also by factors outside of the retailer's control (e.g., influence of others, purpose of shopping).

Although a complete and detailed description of holistic customer experience may require more dimensions, the two-dimensional approach (i.e., hedonic and utilitarian typologies) maintains a basic presence across consumption phenomena (Babin, Darden, and Griffin 1994; Addis and Holbrook 2001; Childers et al. 2001) and little evidence of other dimensions has been shown in the experiential marketing literature (Brakus 2001; Brakus, Schmitt, and Zarantonello 2009; Gentile, Spiller, and Noci 2007). Therefore, this study only includes hedonic and utilitarian facets of customer experience.

In addition, customer experience may arise in a variety of settings and originate from interacting with diverse objects. For instance, experience may occur when a customer interacts with products - when he/she examines (tastes, smells or touches) the products before purchasing or consumes and uses the products after purchasing. Experience may occur when a customer interacts with a store's physical environment (light, temperature, decoration) and salespersons (Brakus, Schmitt, and Zarantonello 2009). However, most of these interactions are fit for the offline environment. The focus of this study is the shoppers' experience on the online C2C platforms and their interaction with the website interfaces. By combining the online research context with the views from aforementioned literature, especially the work of Verhoef et al. (2009) and Gentile, Spiller, and Noci (2007), online shopping experience is defined as follows:

Online shopping experience is holistic in nature and includes both utilitarian and hedonic aspects. This experience is strictly personal and originates from a set of interactions between a customer and a website interface of a C2C platform, which provoke a response. Its evaluation depends on the comparison between a customer's expectations and the stimuli coming from the interaction with the company's website in correspondence to the different moments of contact.

2.2.2 Two Values of Online Shopping Experience

Customers' online shopping experience includes both utilitarian and hedonic values (Fischer and Arnold 1990; Childers, Carr, Peck, and Carson 2001; Wang et al. 2007). Utilitarian shopping value is associated with the "dark side of shopping trips" - "an

errand” or “work” (Fischer and Arnold 1990), whereas hedonic shopping value is related to fun and enjoyment (Holbrook and Hirschman 1982; Babin, Darden, and Griffin 1994). Hedonic and utilitarian values reflect the difference between “shopping as a goal” (i.e., “to get something” or “to facilitate some objects”) and “shopping with a goal” (i.e., “to enjoy something”) (Babin, Darden, and Griffin 1994). Utilitarian shopping value results from information acquisition or task fulfillment in an efficient manner. Hedonic shopping value results from multisensory, fantasy and playfulness. Hedonic aspect reflects shopping’s potential entertainment and emotional worth. It is more subjective and individual than its utilitarian counterpart (Holbrook and Hirschman 1982).

Consumers may seek utilitarian and hedonic shopping values in different ways. When seeking utilitarian shopping value, customers typically shop in a fastidious manner and hope that the whole process is effortless for them. They feel satisfied once they find the desired shopping information or locate particular items. Most of the time, their purchase decisions are planned and rational. When seeking hedonic shopping value, customers just kill time and search for happiness, fantasy, sensuality, and enjoyment. They feel satisfied with the shopping itself and might display impulsive purchasing or unplanned shopping behavior with emotional stimulation (Beatty and Ferrell 1998; Hoffman and Novak 1996).

Successful C2C platforms attempt to provide customers both utilitarian and hedonic shopping values. In terms of utilitarian aspect, consumers intend to achieve their goals

with a minimum of irritation; thus, e-service providers need to make the whole shopping process (e.g., searching, evaluating, and purchasing) easy and convenient. They need to concentrate on website accessibility, extensive product selection, availability of information, and so on. In terms of hedonic aspect, consumers centre on pleasure and entertainment; thus, e-service providers need to facilitate attractive activities and offer stimulation (color, sounds, and appealing visual image), new trends, and adventure to customers (Childers et al. 2001). The following sections take a closer look at the hedonic and utilitarian shopping values in online setting.

Utilitarian Shopping Value

Utilitarian shopping value is derived from a problem-solving shopping process. Utilitarian consumer behavior has been described as instrumental, efficient, task-related, and rational (Batra and Ahtola 1991; Engel, Blackwell, and Miniard 1993; Babin, Darden, and Griffin 1994). From the utilitarian perspective, customers are engaged in goal-directed activities such as searching for relevant information, evaluating the quality of products or services, comparing alternative options and making a purchase decision. They make use of certain means to achieve particular desired ends (Zeithaml 1988; Holbrook 1994). Therefore, they desire to get what they want quickly and minimize waste of time.

Utilitarian shopping value follows a principle of rationality that says “maximize the output/input ratio” (Holbrook 1994 p.45). In the focus groups conducted by Babin, Darden, and Griffin (1994), retail consumers evaluated their utilitarian shopping value

by whether the shopping chore is accomplished successfully (i.e., everything is done), or whether the chore is accomplished in an efficient way. There is substantial discussion concerning utilitarian aspect of online shopping (e.g., Zeithaml, Parasuraman, and Malhotra 2002; Parasuraman, Zeithaml, and Malhotra 2005; Ribbink et al. 2004) and some key concerns are discussed in the following paragraphs.

Navigation is recognized as a crucially important component that determines the accomplishment of shopping tasks. Difficulty in navigating through a website is a fatal barrier for online shopping (Ranganathan and Ganapathy 2002). Navigation is the process of self-directed movement through a website involving nonlinear search and retrieval methods that offer unlimited freedom of choice and greater control for consumers (Hoffman and Novak 1996). Each website represents a unique navigational experience by specific content layouts, information clusters, search engines, orientation aids and series of links. Generally, customers hope that the website is easy to navigate, has good search functionality, and can be maneuvered quickly back and forth through the pages (Parasuraman, Zeithaml, and Malhotra 2005). In e-commerce research, a 3-click rule is suggested, which means consumers leave a website if they do not find their desired information within 3 clicks (Dellaert and Kahn 1999). Similarly, a recent study carried out by Casaló, Flavián, and Guinalú (2008) shows that one of the reasons why online shoppers do not complete their transactions is that they are confused with the website guidance and cannot find necessary information. Thus, how to guide customers to find essential information becomes a critical issue in today's online retail setting. Normally, smooth navigation and logical structuring of information can help customers

successfully accomplish their intended shopping goals and offer them higher utilitarian shopping value.

Personalization is another vital factor in reducing customers' search cost and increasing their shopping efficiency. Online companies normally provide an excess of information on their websites. Too many choices may overwhelm their customers. Companies need to help their customers reduce the endless possible solutions or choices and provide them tailored services. Personalization is the process of customizing a website to the characteristics of a particular customer, taking advantage of the knowledge acquired from his/her usage behavior in combination with other data collected from the website, such as his/her demographic information (Eirinaki and Vazirgiannis 2003). Based on information acquisition, the company can identify a customer and then match the choices of products, services, promotions, and marketing activities to the customer's individual preference. By personalizing its website, the company can reduce the customer's confusion and enable a concentration on what he/she really wants (Srinivasan, Anderson, and Ponnnavolu 2002; Semeijn et al. 2005; Ribbink et al. 2004). Decision-making theory suggests that when facing numerous possible selections, customers are motivated to use simplistic decision rules to narrow down the alternatives (Kahn 1998). Thus, if the company can reasonably narrow down choices or accurately tailor customers' individual needs, the customers will benefit from the personalization by easily procuring the product or service and promptly completing their shopping missions.

Responsiveness is also a key facilitator in achieving positive shopping results. Online shopping is based on self-service technology, so it is crucial that customers receive adequate and instant supports from the company in case they have any questions or problems (Semeijn et al. 2005). Responsiveness refers to “quick response and the ability to offer help if there is a problem or question” (Parasuraman, Zeithaml, and Malhotra 2005 p.219). It measures e-service providers’ capability of offering appropriate problem-solving information to customers, having mechanisms for handling complaints, and providing e-service guarantees (Kim, Kim, and Lennon 2006; Bauer, Falk, and Hammerschmidt 2006). When customers encounter difficulties during their “shopping task accomplishment” process, they expect that online representatives are willing to and capable of resolving their individual problems. They have an expectation that the company can take care of customers’ interests and be ready to offer support. Delays in answering customers’ requests might turn the customers away to other e-service providers (Ranganathan and Ganapathy 2002; Wolfinbarger and Gilly 2003). As such, a prompt and helpful response mechanism can increase shopping efficiency and help customers complete their shopping missions.

In short, all of the aforementioned elements are associated with utilitarian aspect of online shopping. They reflect the importance of convenience and efficiency during online shopping. Both customers and e-service providers contribute to this “problem-solving” process. From customers’ perspective, they desire to perform an act of task achievement in an effortless manner. They judge the company’s performance by a rational, critical, and effective rule. From e-service providers’ perspective, they try to

satisfy their customers' functional needs with availability of information, smooth navigation, tailored recommendations, prompt responsiveness, and so on.

Hedonic Shopping Value

Hedonic shopping value is derived from fun and playfulness during the shopping process (Holbrook and Hirschman 1982; Babin, Darden, and Griffin 1994) and indicates the psychological worth of shopping. Hedonic consumer behavior has been described as non-instrumental, self-justifying, self-motivating, or ludic. From the hedonic viewpoint, customers appear to derive their gratification from immediate pleasure (Fischer and Arnold 1990) and appreciate shopping for its own sake, apart from any other consequences that may result therefrom (Holbrook 1994). Hedonic aspect of shopping is intrinsically valued end-in-itself rather than extrinsically valued for some other ends (Holbrook and Hirschman 1982; Oliver 1989).

Compared with its utilitarian counterpart, hedonic aspect of online shopping has been studied less often. However, the significance of hedonic website elements has been recognized by many marketing practitioners. For instance, Jeff Bezos, the founder of Amazon.com, explains that "one secret to his success is thinking of ways to make the online shopping experience more fun" (Star Tribune 1999). In the following paragraphs, I will clarify how hedonic value can be obtained from online shopping experience.

When shopping online, some recreational shoppers prefer to engage in the process of searching and navigating. They simply enjoy "strolling down the aisles" and browsing

different products or information. These customers may have intrinsically rewarding experience when they fantasize about the products or service they cannot afford. They may pretend they are others in order to play out a desirable role, and imagine the scene of events. This vicarious consumption is tied to imaginative constructions of reality and can provoke fun and enjoyment (Hirschman and Holbrook 1982).

Hedonic shopping value can also come from engaging in absorbing activities and escaping from the demands of the day-to-day world (Unger and Kernan 1983; Mathwick, Malhotra, and Rigdon 2001). According to the earlier work by Holbrook (1994), playfulness is an active self-oriented experience enjoyed for its own sake. Playfulness exists in some attractive online shopping activities (e.g., pleasurable interactive games, competition activities, and auctions) that are freely engaged in. Playful acts have a restorative capability and operate without concern for material interests (Mathwick, Malhotra, and Rigdon 2001). This intrinsic enjoyment experience encourages website visitors to stay longer and visit more often. Many retailers are convinced that customers will make more purchases if they spend more shopping time in the store (Bridges and Florsheim 2008).

Playfulness also emerges from escapism that allows the customers to temporarily “get away from it all”. In his work on the motivation behind shopping behavior, Tauber (1972) argued that shopping can offer an opportunity for diversion from the routine of daily life and represents a form of playfulness. The convenience of online shopping (i.e., when and where consumers can shop) makes it an easy therapy to improve customers’

mood (Babin, Darden, and Griffin 1994; Hirschman 1992). When people feel bored or idle in the workplace or at home, online shopping may become a low-cost escape. Escaping from routine life is a short “break” which can offer people happiness (Babin, Darden, and Griffin 1994; Mathwick, Malhotra, and Rigdon 2001). Sometimes, seeking happiness is far more meaningful than the mere acquisition of products or services (Sherry 1990).

Multiply sensory impulse is another important form to create hedonic shopping value (Hirschman and Holbrook 1982; Schmitt 2003). From the experiential marketing perspective, “individuals not only respond to multisensory impressions from external stimuli (a perfume) by encoding these sensory input but also react by generating multisensory images within themselves” (Hirschman and Holbrook 1982 p.92). Different people may generate different internal imagery when facing the same external stimuli. Experience is innately personal and originates from “subject-object interaction”. The online channel is a “flat” realm, where customers interact with products and services via their computer screens, so customers typically receive their experience from visual images. Many studies have found that visual images (screen graphics) on a website are crucial in catching customers’ attention and suggested that the design of a website should be aesthetically pleasing (Ghose and Dou 1998; Jarvenpaa and Todd 1997; Spiller and Lohse 1997; Yun and Good 2007; Ribbink et al. 2004). Visual imagery reflects how information is presented through the use of colors, layout, font size and style, pictures and animation (Zeithaml, Parasuraman, and Malhotra 2002). The e-service provider can offer vivid screen graphics, funny and humorous product

commentaries, pop-up windows, and videos to please their customers' sight. For every customer, enjoying a sight is self-oriented in nature and produces a hedonic reward through self-gratification (Babin, Darden, and Griffin 1994). This type of experience has terminal value (Holbrook 1994) and offers immediate pleasure for its own sake, independent of specific shopping tasks (Mathwick, Malhotra, and Rigdon 2001).

Customers may also obtain hedonic shopping value through a "hunt for bargains". According to the focus groups undertaken by Wolfinbarger and Gilly (2001), some experiential shoppers have fun through surfing various online shops and finding great deals. The price-quality literature uses an additive measure of transaction utility to describe value, that is, the difference between a product's selling price and a consumer's internal reference price (Zeithaml 1988; Barbin, Darden, and Griffin 1994). The hedonic consumption perspective extends this viewpoint and posits that perception of a bargain can provide pleasure and create a hedonic value end-in-itself. Consumers may think of themselves as smart or lucky when attaining a bargain (Chandon, Wansink, and Laurent 2000). They would regard shopping as a challenge to be "conquered" and treat "cheap stuff" as an unexpected reward. Obtaining a discount or a great deal may give rise to feelings of satisfaction that result from personal achievement (Arnold and Reynolds 2003). The excitement of winning a "hunting game" may be more valuable than the actual products captured. The online channel provides extensive product and price information, so customers can easily enjoy hunting for bargains, looking for sales, and finding discounts or low prices.

Consequently, online shopping, with or without purchasing, can create hedonic value. Despite the absence of the multisensory feeling of physical store atmosphere, which is depicted as an important source of hedonic consumption (Hirschman and Holbrook 1982), online channels can create hedonic shopping value in many alternative ways. Through fantasy, playfulness, visual stimuli and the “hunt for bargains”, online shopping can offer spontaneous pleasure to customers. While not denying the functional aspect of online shopping, the hedonic consumption perspective focuses on a basic duality of shopping behavior. On one hand, customers seek task fulfillment, ease-of-use, and efficiency. They rely on the companies’ capability to provide appropriate product or price information, facilitate flexible navigation and promptly address their problems. On the other hand, customers enjoy online shopping for its own sake. They look for vivid product images and graphics, interesting and humorous product commentaries, interactive games or great deals. As such, online shopping experience should integrate utilitarian as well as hedonic aspects to portray a complete picture of shoppers’ behavior.

2.3 Consumer Involvement

2.3.1 Definition and Types of Consumer Involvement

From its beginnings (Krugman 1965; Sherif, Museser, and Cantrill 1947) involvement has attracted many researchers’ attention and has been regarded as an important theory or perspective in the consumer behavior literature (Beatty, Kahle, and Homer 1988). The degree of involvement is highly related to consumers’ decision-making strategy. Depending on their levels of involvement, consumers vary in the degree of effort they put into searching for information and in the extent of their decision process (Laurent

and Kapferer 1985). Understanding of consumer involvement can increase a company's marketing effectiveness and efficiency (O'Cass 2000).

Involvement is generally defined in terms of perceived personal relevance and interest. Krugman's (1965) early work regards involvement as the tendency to make personal connections between one's own life and the persuasive stimulus. Mitchell (1979) views involvement as "an internal state variable that indicates the amount of arousal, interest, or drive evoked by a particular stimulus or situation" (Mitchell 1979, p. 194). Mittal (1983) defines involvement as a person's motivational state of mind toward an object or activity. In a seminal paper, Zaichkowsky (1985) argues that involvement refers to the extent of personal relevance of the decision to the individual in terms of his/her inherent needs, values, and interests. Thus, although researchers have invoked different interpretations of involvement, one common theme remains; that is, involvement is the perceived importance of the stimulus which is triggered by the object itself or the purchase-decision task (Mittal 1995).

Consumer involvement is the level of importance a consumer attributes to an object, an action or an activity and the enthusiasm and interest he/she can generate (Beatty, Kahle, and Homer 1988). Consumer involvement has been applied to many factors, such as purchase decision/behavior, product category, brand, and marketing communication (Gordon, McKeage, and Fox 1998). Every type of consumer involvement focuses on a particular consumer-object context (O'Cass 2000).

Product involvement is the importance of a product to a consumer's self-concept, needs and values (Zaichkowsky 1985). Involvement with products has been posited to lead to increased product knowledge, enhanced perception of attribute differences, and greater commitment to brand choice (Howard and Sheth 1969). Purchase involvement is related to the level of concern for, or interest in, the purchase process triggered by the need to consider a particular purchase (Beatty, Kahle, and Homer 1988). Involvement with purchases may lead the consumer to search for more information, evaluate more alternatives and spend more time making the right selection (Clarke and Belk 1978). A customer may be highly involved with a product category and yet have a low level of involvement with the purchase process because of his/her commitment to a certain brand. Conversely, an individual may have a very low level of involvement with a product category, but he/she is likely to be highly involved with the purchase process because of the unfamiliarity with the product (Engel and Blackwell 1982).

Brand involvement reflects sign value and a customer's self expression (Kapferer and Laurent 1985). Research shows that highly involved consumers seek to maximize expected satisfaction from their brand choice and are more likely to express their lifestyle and personality characteristics in their brand choices (Chaiken 1980). Advertisement involvement is an internal state of arousal based on characteristics of intensity, direction, and persistence (Andrews, Durvasula, and Akhter 1990). It focuses on the individual consumer, which means that it is the individual consumer who is involved, not advertisement content or media. Involvement with advertisements may induce consumers to develop more elaborate encoding strategies and to generate

counterarguments to the advertisements (Wright 1973, 1974). Some scholars speak of “ego involvement” to underscore the personal and intrinsic nature of involvement (Laurent and Kapferer 1985). Ego involvement is defined as the importance of the product to the individual and to the individual’s self-concept, values, and ego (Beatty, Kahle, and Homer 1988). When searching for or comparing various product alternatives, consumers seek the difference that corresponds to his/her own identity, or ego. If product or brand choice is perceived as the sign of oneself, the customer will get involved in it. For instance, garments are generally considered as ego-involvement due to their symbolic meaning and their role in expressing one’s lifestyle or personality (Laurent and Kapferer 1985).

Houston and Rothschild (1978) pointed out there are two types of involvement, namely, situational involvement and enduring involvement. This dual categorization has been further elaborated by other researchers (Celsi and Olson 1988; Laurent and Kapferer 1985). Situational involvement reflects concern with a certain situation such as a purchase occasion or selection. It is related to stimuli, cues, and contingencies in a consumer’s immediate environment, such as sales promotion or advertisement (Laurent and Kapferer 1985). These external stimuli in the consumer’s decision environments might activate personally relevant goals and values. Thus, the levels of situational involvement vary with the specific situations. Enduring involvement reflects a general and permanent concern with a product category or issue (Bloch and Richins 1983) and derives from the perception that the product category or issue is related to centrally held value (Arora 1982). It indicates a purchasing concern which a consumer may already

have before coming into a purchase situation, and which may also reflect his/her past knowledge, experience, and attitudes about the product or issue (Rothschild 1979). Enduring involvement is the personally relevant knowledge stored in the consumer's long-term memory and the level of this knowledge holds across many situations (Suh and Yi 2006). The present study attempts to examine the moderating effect of consumers' stable involvement with online shopping, so enduring involvement is employed.

Overall, consumer involvement is applicable to a range of objects, actions, activities or situations. The present study focuses on consumer involvement with online shopping. Therefore, borrowing the general view of involvement which emphasizes personal relevance and importance (Greenwald and Leavitt 1984; Mitchell 1979; Rothschild 1984; Zaichkowsky 1985), the specific definition of consumer involvement with online shopping is depicted as follows:

Consumer involvement is a customer's perceived importance and personal relevance of online shopping based on his/her inherent needs, values, and interests.

2.3.2 Operationalization of Consumer Involvement

Despite the diversity of perspectives on the involvement and the various applications of this concept, scholars share a common viewpoint that involvement is a continuum from low to high level (De Bruicker 1979; Bloch, Sherrell, and Ridgway 1986; O'Cass 2000). Several studies have been conducted to investigate how to measure involvement (See

Table 2.2). In the early stages, this concept was normally measured in terms of its resulting behaviors and a great number of conflicting results were obtained (Laurent and Kapferer 1985; Zaichkowsky 1985).

The systematic development of involvement measurement scales has taken place since 1985. Perhaps the two most widely cited scales are Zaichkowsky's (1985) Personal Involvement Inventory (PII) and Laurent and Kapferer's (1985) Consumer Involvement Profile (CIP). In Zaichkowsky's (1985) work, the author began with 168 pairs of adjectives and refined the scale to 20 pairs of adjectives by virtue of the standards of reliability and validity. The Personal Involvement Inventory (PII) scale is convenient to use and captures a major factor of "personal relevance". A wide range of product categories were included to develop the scale and every product category had a single score to indicate the customer's degree of product involvement. In the other study, based on extensive literature review and in-depth interviews of housewives, Laurent and Kapferer (1985) developed the consumer involvement profile (CIP) in terms of five dimensions, namely, *importance/interest* (the perceived importance of the product), *pleasure* (the rewarding nature of the product), *sign-value* (the perceived ability of a brand to express one's status or identity), *risk importance* (the perceived importance of the negative consequences of a mispurchase), and *risk probability* (the subjective probability of making a mispurchase).

McQuarrie and Munson (1987) and Mittal (1989) have subsequently developed the scales to capture the same concept. McQuarrie and Munson (1987) argued that some of

the Zaichkowsky's (1985) personal involvement inventory (PII) items are redundant and there is a confounding interpretational problem with the scale caused by some attitude-related adjectives. They also criticized the unidimensionality of the scale and revised it by incorporating the "sign" and "risk" components, as well as the "perceived importance" and "pleasure" dimensions. Similarly, Mittal (1989) identified the attitudinal and hedonic items in the PII scale and stressed the need to reexamine the scale. Furthermore, Mittal (1989) argued that only the importance/ interest facet of Laurent and Kapferer's (1985) consumer involvement profile (CIP) is appropriate and the other facets of the CIP scale are the antecedents of involvement. He also pointed out that the importance/ interest facet as operationalized by Laurent and Kapferer (1985) refers to product-category involvement and is thus not proper for brand-decision or purchase involvement. Mittal (1989) developed a four-item scale of purchase-decision involvement, which is simple and directly related to purchase-decision context.

Although these scales were developed to measure the same concept, their dissimilarity is obvious and scholars need to choose one of them on the basis of the particular research context. Zaichkowsky's scale concentrates on "relevance" between an individual and an object. It is a context-free scale which can be used to measure different types of involvement (i.e., product-category, brand, advertisement or purchase-decision involvement) by specifying the factor in the lead-in instructions or by way of a prefatory sentence (see Table 4.1). In addition, Mittal (1995) empirically compared four frequently used scales of consumer involvement and showed that Zaichkowsky's PII scale outperformed the other three scales in terms of unidimensionality. However, some

items of the PII scale are correlated with hedonic aspect of consumption behavior (Voss, Spangenberg, and Grohmann 2003; Mano and Oliver 1993). The present study argues that consumer involvement is distinct from hedonic shopping value; the former describes customers' perceived importance and personal relevance of online shopping and the latter is derived from fun and playfulness during online shopping process. Therefore, the 10 items of Zaichkowsky's personal involvement inventory (PII) scale which capture the essential meaning of involvement (i.e., relevance and importance) are adapted in this research.

Table 2.2 Major Involvement Measures

Name	Measurement Items	Source(s)
Product Category Involvement (Beer)	Average weekly consumption Perceived product differentiation Perceived image differentiation Self-reported knowledge ability Interest in product information Endorsement/attitude toward using product Brand awareness	Tyebjee (1979)
Product Category Involvement (General)	The time spent during product search The energy spent The number of brands examined The attention paid to advertising in the product category	Engel and Blackwell (1982)
Consumer Involvement Profile (CIP)	<i>Importance/interest</i> (perceived product importance) <i>Pleasure</i> (the rewarding nature of the product) <i>Sign-value</i> (the perceived ability of a brand to express one's status or identity) <i>Risk importance</i> (the perceived importance of the negative consequences of a mispurchase) <i>Risk probability</i> (the subjective probability of making a mispurchase)	Laurent and Kapferer (1985)

Table 2.2 Major Involvement Measures (Continuous)

Name	Measurement Items		Source(s)
Personal Involvement Inventory (PII)	Means a lot/nothing to me Matters to me/ doesn't matter Of no concern / concern to me Vital/superfluous Irrelevant/relevant Boring/interesting Useless/useful Unexciting/exciting Valuable/worthless	Appealing/unappealing Trivial/fundamental Mundane/fascinating Beneficial/not beneficial Essential/non-essential Important/unimportant Undesirable/desirable Uninterested/interested Not needed/needed Significant/insignificant Wanted/unwanted	Zaichkowsky (1985)
Revision of the Personal Involvement Inventory (RPII)	Important/Unimportant Matters to me / doesn't matter Irrelevant/relevant Boring/interesting Means a lot to me/ means nothing to me	Of no concern/of concern to me Unexciting/exciting Appealing/unappealing Dull/neat Fun/not fun	McQuarrie and Munson (1987, 1992)
Purchase-decision Involvement (PDI)	<p>1. In selecting from the many types and brands of this product available in the market, would you say that: I would not care at all 1 2 3 4 5 6 7 I would care a great deal as to which one I buy. as to which one I buy.</p> <p>2. Do you think that the various types and brands of this product available in the market are all very alike or are all very different? They are alike. 1 2 3 4 5 6 7 They are all very different.</p> <p>3. How important would it be to you to make a right choice of this product? Not at all important. 1 2 3 4 5 6 7 Extremely important.</p> <p>4. In making your selection of this product, how concerned would you be about the outcome of your choice? Not at all concerned. 1 2 3 4 5 6 7 Very much concerned.</p>		Mittal (1989)
Revised Personal Involvement Inventory (PII)	Important/unimportant Boring/interesting Relevant/irrelevant Exciting/unexciting Means nothing/ Means a lot to me	Appealing/unappealing Fascinating/mundane Worthless/valuable Involving/uninvolving Not needed/needed	Zaichkowsky (1994)

2.3.3 The Role of Consumer Involvement

Every consumer makes plenty of decisions every day, few of which may be of importance (Kassarjian 1978, 1981). The consumer has to allocate limited resources to make all sorts of decisions and choices. This position has led scholars to consider involvement theory as a two-fold dichotomy: low involvement and high involvement consumer behavior (Engel and Blackwell 1982; Laurent and Kapferer 1985). The theory of involvement has postulated that involvement is a causal or motivating variable which may influence an extensive array of purchase and communication behavior.

High involvement relates to personal relevance and interest (Greenwald and Leavitt 1984) and in this state it is proposed that consumers display a range of active behaviors. They spend more time and make more effort in searching for information from various sources (Bloch, Sherrell, and Ridgway 1986). They are more interested in comparing product attributes and brand information (Engel and Blackwell 1982). They seek to maximize their satisfaction from brand choices through an extensive decision-making process (Chaiken 1980). They perceive greater differences among brands (Zaichkowsky 1985) and exhibit stronger commitment to particular brands (Rothschild 1979). They are more likely to attend promotion-related events and show great interest in and emotional responses to particular brands (Beatty et al. 1988; Hirschman and Holbrook 1982).

Low involvement occurs in situations where differences among objects are not important to an individual (Ray 1973). If a consumer is uninvolved in an object, it means that he/she does not care about it (Mittal 1995). When the consumer does not

have a strong concern about an object, he/she tends to selectively process information for evaluation (Robertson 1976). He/she has an aversion to extensive information processing and prefers simplicity and effortlessness. He/she becomes a reactive processor of cognitive information about an object (Batra and Ray 1986). Celsi and Olson (1988) tested several hypotheses concerning the effects of consumer involvement on the amount of attention and comprehension effort, the focus of attention and comprehension processes, and the extent of cognitive elaboration during comprehension. They found that less involved consumers attend to and comprehend less information about shopping situations and products and thus produce less elaborate meanings and inferences about them (Celsi and Olson 1988).

2.4 Satisfaction

2.4.1 Definition and Operationalization of Satisfaction

Satisfaction is a concept extensively discussed in the marketing literature (Rogers, Peyton, and Berl 1992). For example, Oliver (1997 p.13) defined it as “the consumer’s fulfillment response...It is a judgment that a product/service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment”. Roest and Pieters (1997) argued that satisfaction, as a relative concept that involves both cognitive and affective elements, is mainly transactional and incorporates an appraisal of both benefits and sacrifices. To date, there are still some controversial issues around the definition of satisfaction. Among various explanations, two dominant perspectives are transaction-specific and cumulative or overall satisfaction. On one hand, the transaction-specific

perspective views customer satisfaction as an immediate post-purchase evaluative judgment or an affective response to the most recent transactional experience of a service provider (Oliver 1993). The associated evaluation occurs at a specific time following shopping or consumption. The transaction-specific satisfaction varies with intensity depending upon a variety of situational factors (Yang and Peterson 2004).

On the other hand, the overall satisfaction perspective views customer satisfaction as an evaluative summary of past experiences associated with various facets of a service provider. Compared to transaction-specific satisfaction, overall satisfaction, at any given point in time, reflects customers' cumulative impression and global evaluation of a company's performance based on their overall previous purchasing experience with a product or service (Anderson, Fornell, and Lehmann 1994). Overall satisfaction is an aggregation of all transaction-specific satisfaction and will be updated after a new transaction or encounter which is experienced by the customer (Jones and Suh 2000). Cumulative satisfaction is more stable and can better predict customers' behavioral intentions (Olsen and Johnson 2003; Ha and Perks 2005), so the concept of cumulative satisfaction is employed in this study.

Satisfaction is considered to include both cognitive and affective components (Storbacka, Strandvik, and Grönroos 1994; Roest and Pieters 1997). The cognitive component is a customer's evaluation of the discrepancy between perceived performance and his/her needs or expectations (Oliver 1980; Tse and Wilton 1988). The expectancy disconfirmation theory (EDT) (Tse and Wilton 1988; Oliver 1997) has long

been regarded as a guide for measuring cognitive aspect of satisfaction. It is based on the assumption that the pre-consumption expectations of customers are confirmed (i.e., the expected and perceived performances match pretty well), positively disconfirmed (i.e., the actual performance exceeds the expected one), or negatively disconfirmed (i.e., the actual performance falls below the expected one).

The affective component refers to emotions, such as happiness, pleasure, surprise, sadness, and disappointment (Cronin, Brady, and Hull 2000; Liljander and Strandvik 1997). From this perspective, satisfaction is “a pleasurable level of consumption-related fulfillment” (Oliver 2010 p.15). The emotional responses are evoked by evaluation of a company’s performance, following the cognitive interpretation and the related expectancy-disconfirmation process (Jones, Reynolds, and Arnold 2006). Such emotions are usually intentional (i.e., they have an object or referent, such as a company or a product) and are different from mood, which is a generalized state induced by a range of factors and is usually diffused and non-intentional (Bagozzi, Gopinath, and Nyer 1999). In accordance with the “two-appraisal” model of satisfaction evaluation (Oliver 1989), the cognitive and emotional components of satisfaction should be considered separately and both should be regarded as core attributes in satisfaction (Cronin, Brady, and Hult 2000). Therefore, satisfaction in this research is defined as:

Satisfaction is a customer’s positive affective state resulting from a global evaluation of the performance of a special C2C platform based on his/her previous shopping experiences.

2.4.2 The Role of Satisfaction in Online Environment

A considerable amount of research on online customer behaviour suggests that satisfaction is a fundamental element in establishing long-term relationships with customers and maintaining a company's long-term profit (Chiou and Shen 2006). Satisfied customers tend to behave in a number of favorable ways: they are more likely to shop on the same website, try other products and services offered by the company, engage in sales promotions, show the commitment to the company, share satisfying experiences with others, offer positive comments in the virtual community, and are less likely to switch to other companies (Casaló, Flavián, and Guinalú 2008; Yen and Lu 2008).

In contrast, dissatisfied customers are more likely to search for information on alternatives and yield to competitor overtures. They may be reluctant to develop a closer relationship with the current e-service provider or they may desire to reduce the dependence on it (Anderson and Srinivasan 2003). Customer dissatisfaction may result in higher perceived risk, complaining behavior and negative word-of-mouth (Casaló, Flavián, and Guinalú 2008). Some studies have presented that online customers are more likely to feel dissatisfied (Monswé, Dellaert, and Ruyter 2004). Yen and Lu (2008) noted that poor e-tailers' performance such as service breakdown, lost orders, and inadequate complaint handling frequently causes customer dissatisfaction and non-revisiting. A survey conducted by CNNIC (China Internet Information Center) also shows that only 3.5 percent of the respondents are very satisfied with their online shopping experience (Liu et al. 2008).

2.5 Loyalty

2.5.1 Definition and Operationalization of Loyalty

The development and maintenance of customer loyalty is placed at the heart of companies' marketing strategies, especially when facing highly competitive markets with increasing unpredictability and declining service differentiation, such as the online environment (Fournier and Yao 1997). Loyalty is a "deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby, causing repetitive same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (Oliver 1999, p. 34). Without loyal customers, even the best-designed online business model will collapse in a short period (Anderson and Srinivasan 2003). Sustaining customer loyalty can not only generate profits, but also create enduring competitive advantages for the company (Grönroos 1995).

In earlier studies, loyalty was conceived to be a simple repeat buying behavior. Jacoby and Chestnut (1978 p.80) described loyalty as "The biased behavioral response, expressed over time, by some decision making unit, with respect to one store out of a set of stores, which is a function of psychological (decision making and evaluative) processes resulting from commitment". However, as the field of consumer behavior matured, researchers came to realize that repurchase behavior is insufficient because it included much "spurious loyalty" that may result from limited budget, social norms, inaccessibility and a lack of choices (Morgan and Hunt 1994). The spuriously loyal buyers lack any attachment to brand attributes and they are easily captured by

competitors that offer a better deal, a coupon, convenience or other value-added services (Anderson and Srinivasan 2003).

In response to these criticisms, researchers have proposed conceptualizing loyalty from both attitudinal and behavioral aspects. Engel and Blackwell (1982) define loyalty as “the preferential, attitudinal and behavioral response toward one or more brands in a product category expressed over a period of time by a consumer”. Assael (1992) conceptualizes loyalty as “a favorable attitude toward a brand resulting in consistent purchase of the brand over time”. Keller (1993) explains that loyalty is present when favorable attitudes for the brand are manifested in repeat buying behavior. Flavián, Guinalú, and Gurrea (2006) suggest that loyalty should be considered as a non-random behavior which depends on psychological processes and emotional bonds with the brand.

In terms of operationalization of customer loyalty, Dick and Basu (1994) suggest that both attitudinal and behavioral dimensions should be incorporated in measuring loyalty. From the attitudinal perspective, customer loyalty is expressed as a specific desire to keep an ongoing relationship with the company, often based on positive customer preferences toward the brand (Czepiel and Gilmore 1987). The attitudinal component captures attachment and commitment to the company. It measures the customer’s more favorable attitude towards a particular brand when compared with others. Attitudinal loyalty indicates not only greater repurchase intention, but also resistance to counter-attraction, willingness to pay a price premium, and willingness to recommend the brand to others (Shankar, Smith, and Rangaswamy 2003).

From the behavioral view, customer loyalty is repeat patronage, that is, the proportion of times a purchaser chooses the same brand compared to the total number of purchases made by the same purchaser (Yang and Peterson 2004). The actual repurchasing behavior is ideal but difficult to observe and measure. As a compromise, many researchers regard the behavioral intention as a proxy for loyalty (Oliver 2010). Behavioral intention is the degree of conscious effort a person will exert to perform a behavior (Shim, Eastlick, Lotz, and Warrington 2001). It has been viewed as an indicator that signals whether customers will remain with or switch from a company (Zeithaml, Berry, and Parasuraman 1996). Researchers have used a repurchase probability, a long-term choice probability for a brand (Carpenter and Lehmann 1985; Dekimpe et al. 1997), or a switching intention (Raju, Srinivasan, and Lal 1990) to measure behavioral aspect of loyalty.

In the present research, loyalty is described from both attitudinal and behavioral aspects. Following the research by Anderson and Srinivasan (2003), loyalty is defined as follows:

Loyalty is a customer's favorable attitude toward a special C2C platform, resulting in repeat shopping behavior.

2.5.2 The Role of Loyalty in Online Environment

Loyal customers are dramatically important because of their contribution to the profitability and the ongoing growth of a company. Loyal customers visit their favorite websites twice as often as non-loyal ones, and they spend more money than non-loyal

customers (Yun and Good 2007). Loyal customers are less sensitive to price changes and less likely to object to being charged premium price (Reichheld and Sasser 1990). They demonstrate “stickiness” toward their favored e-service providers even when confronting with numerous competing alternatives (Shankar, Smith, and Rangaswamy 2003; Flavián, Guinalú, and Gurrea 2006).

Loyal customers are more likely to disseminate positive word-of-mouth. In a study on e-loyalty, Casaló, Flavián, and Cuinalú (2008) found that due to the uncertainty and high risk of online channels consumers prefer to rely on informal and personal communication sources (e.g., other consumers) instead of on formal and organizational sources such as advertising campaigns. Loyal customers are vital sources of the positive informal information and are free advocates of the company. At the same time, online shoppers are known for low tolerance (Chen and Chang 2003) and on average they wait for only eight seconds for system feedback before bailing out (Dellaert and Kahn 1999). Loyal customers have higher tolerance when the company’s website takes a long time to be downloaded or its service is temporarily unavailable (Narayandas 1998). As such, loyal customers often bring in substantial revenues to the company and demand less attention from the company.

Although customer loyalty is a crucial strategic asset for e-service providers, researchers frequently acknowledge that it is difficult to gain loyal customers on the Internet (Gommans, Krishnan, and Scheffold 2001; Anderson and Srinivasan 2003). The Internet is a “nearly perfect market” because information is instantaneous and customers can

easily compare the offerings from different companies (Kuttner 1998 p.20). Sector analysts reported that only a very small minority of website visitors (1.3-3.2 percent) repurchase from the same company (Harris and Goode 2004). Therefore, maintaining loyal customers has become a vital but difficult task for every e-service provider.

CHAPTER 3 CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESES

Drawing insights from the research on shopping values, consumer involvement, satisfaction and loyalty, this chapter first illustrates the conceptual framework of the study and then proposes the research hypotheses.

3.1 Conceptual Framework

The experiential consumption perspective suggests that the traditional view of consumption as a rational behavior neglects numerous intangible and emotional features of this activity (Holbrook and Hirschman 1982; Addis and Holbrook 2001). Thus, it appears that both utilitarian (i.e., intellectual, instrumental, and functional) and hedonic (i.e., emotional, esthetic, and symbolic) aspects should be captured to understand consumption behavior fully (Babin, Darden, and Griffin 1994; Holbrook 1986). This study aims to examine the experiential consumption perspective in the online retail environment. Both utilitarian and hedonic values derived from shopping experience are expected to play crucial roles in predicting retail outcomes (i.e., satisfaction and loyalty).

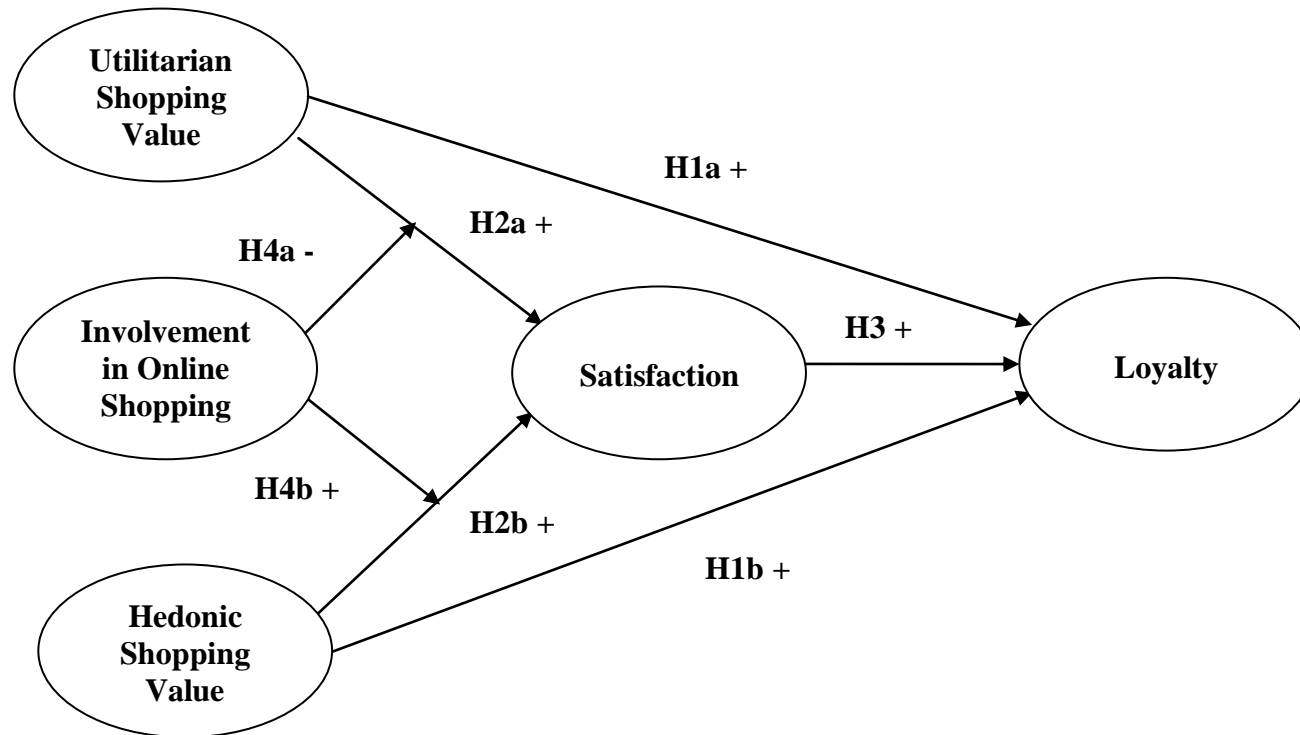
The theory of consumer involvement states that consumer involvement is a motivational state and consumers' reactions to marketing stimuli vary with different levels of involvement (Zaichkowsky 1985; Laurent and Kapferer 1985). The levels of involvement reflect the degrees of personal relevance or importance of the decision to the consumers. Their evaluative and behavioral activities are different in high-involvement and low-involvement states. Consumers with high involvement explore more information and generate more thoughts and emotions during their consumption

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process. They are more interested in the consumption event and more sensitive to marketing stimuli, such as advertisements and promotions (Andrews, Durvasula, and Akhter 1990). In contrast, consumers with low involvement are less likely to devote time and effort to search for information and prefer efficiency and simplicity (Celsi and Olson 1988; Greenwald and Leavitt 1984). As an important variable relating to individual differences, consumer involvement has been widely discussed in terms of its moderating role in marketing literature.

In the present study, a conceptual model is developed based on the experiential consumption view (Holbrook and Hirschman 1982) and the consumer involvement theory (Zaichkowsky 1985; Laurent and Kapferer 1985). This model includes the causal effects among shopping values, satisfaction, and loyalty as well as the moderating effects of consumer involvement on the relationships between shopping values and satisfaction. It intends to achieve three research objectives in this study: first, to assess shopping experience from both hedonic and utilitarian aspects; second, to investigate the effects of shopping values on satisfaction and loyalty; and third, to discuss how consumer involvement moderates the relationships between shopping values and satisfaction. There are five theoretical constructs - utilitarian shopping value, hedonic shopping value, consumer involvement, satisfaction, and loyalty - in the conceptual model. Utilitarian shopping value and hedonic shopping value are the focal constructs, and a series of hypotheses related to their potential consequences are generated. The proposed relationships among these five constructs are shown in Figure 3.1.

Figure 3.1 Proposed Conceptual Framework



3.2 Research Hypotheses Development

3.2.1 Online Shopping Values and Loyalty

Utilitarian Shopping Value and Loyalty

Consumers who have efficiently accomplished their shopping tasks will have a positive perception of the company's capability and be more likely to show a commitment to the company (Zeithaml 1988; Jones, Reynolds, and Arnold 2006). Past success strengthens customers' confidence in making decisions because they believe that the average performance of a company does not vary greatly in a short term (Oliver 2010). Consumers, therefore, expect a high probability of future success in doing business with the same company (O'Curry and Strahilevitz 2001). As a support of this explanation, retail research has revealed the linkage between shoppers' utilitarian value and their loyalty to the retailer (Carpenter 2008). In a similar vein, Jones, Reynolds, and Arnold (2006) argued that shoppers who have acquired desirable products or information at a particular retailer will remember their success, and think of this store as a superior option when similar shopping needs arise. Reynolds and Beatty (1999) examined the effect of functional aspect of store services on customer loyalty in upscale retail settings and found that their positive relationships do exist.

Transferring these notions to the online environment, Bridges and Florsheim (2008) argued that customers who obtain positive utilitarian shopping value will show a greater likelihood of repurchasing on the same website. Other scholars also provide empirical support for this argument. In To, Liao, and Lin's (2007) research, utilitarian aspect of online shopping was categorized into convenience, selection, information availability,

lack of sociality, cost saving, and customization of product and service. The authors indicated that these factors are important determinants of customers' repurchase intention. In a more recent study, Kim, Jin, and Swinney (2009) showed that the utilitarian website features have an important impact on developing customer loyalty. Building on these discussions, utilitarian shopping value is expected to play a positive role in predicting customer loyalty and the following hypothesis is developed:

Hypothesis 1a Higher utilitarian shopping value will generate greater customer loyalty.

Hedonic Shopping Value and Loyalty

In terms of hedonic shopping value, consumers perceive fun, multisensory stimulation and enjoyment when they go shopping (Hirschman and Holbrook 1982; Brakus, Schmitt, and Zarantonello 2009). This aspect of shopping experience makes customers feel pleasure, so they desire to repeat the pleasure and re-patronize the same stores (Brakus, Schmitt, and Zarantonello 2009). A higher level of hedonic shopping value provides customers increasing levels of psychological reward and emotional worth (Babin, Darden, and Griffin 1994). These positive outcomes motivate customers to form a strong commitment with the retailer because research on human relationships has shown that affect and psychological attachment is a foundation for relationship commitment (Berscheid 1983). Hedonic consumer behavior has been widely discussed in environmental psychology. Some store-level empirical research has documented a positive relationship between hedonic shopping value and customer loyalty (Donovan and Rossiter 1982; Jones, Reynolds, and Arnold 2006). Furthermore, Baker et al. (2002)

found that hedonic or esthetic attributes of store physical surroundings (e.g., decor elements, spatial layouts, and attractive facilities) are important determinants of store loyalty (i.e., re-patronize intention).

In e-commerce research, the role of hedonic shopping value is a controversial issue. Some scholars have argued that hedonic experience such as fun or pleasure is not a major concern within the e-service domain because it is a unique value that may only be relevant to some particular e-customers (Wolfenbarger and Gilly 2003; Parasuraman, Parasuraman, Zeithaml, and Malhotra 2005). However, other scholars consider hedonic shopping value as a key factor to facilitate “website stickiness”; that is, the amount of time customers spend on a website (Bridges and Florsheim 2008; Goldsmith and Bridges 2000). These scholars suggest that the customers who stick to a website are more likely to purchase from the website and are less likely to switch to other websites. Similarly, Hoffman and Novak (1996) found that enjoyable experience results in longer website stay duration and more frequent website visits. Van Riel, Liljander, and Jurriëns (2001) indicated that fun or enjoyment is a focal determinant of e-customers’ patronage intention. After assessing consumption experience in the catalog and Internet shopping context, Mathwick, Malhotra, and Rigdon (2001) reported that Internet-based experiential consumption is positively associated with retail patronage intention. In a study measuring e-service quality, Bauer, Falk, and Hammerschmidt (2006) provided empirical evidence that enjoyment of online shopping is an essential factor in influencing both relationship duration and repurchase intention. Hence, following these

arguments, the positive relationship between hedonic shopping value and customer loyalty is proposed as follows:

Hypothesis 1b Higher hedonic shopping value will generate greater customer loyalty.

3.2.2 Online Shopping Values and Satisfaction

Customer satisfaction, at any given point in time, reflects the summation of a customer's previous (and present) encounters and experiences with a particular company. Needs satisfaction theory suggests that all these experiences are capable of fulfilling customer needs at lower, more functional or logical levels, as well as higher, more psychological or spiritual levels (Jones, Reynolds, and Arnold 2006; Oliver 2010). Therefore, both utilitarian and hedonic shopping values are proposed as determinants of customer satisfaction.

Utilitarian Shopping Value and Satisfaction

From the rational perspective, customers are concerned with efficiently completing the shopping event and obtaining its outcome with minimum expense of energy. If the shopping process is smooth and the shopping task is accomplished, consumers will derive satisfaction from the outcomes of the shopping event in terms of the acquisition of the desirable products, services, or information (Kaltcheva and Weisz 2006). Oliver (2010) also argues that when consumers have solved some problems in life and sensed that the shopping experience fulfills their needs, desires or goals, the need fulfillment will lead to satisfaction and that satisfaction is the end state of eliminating the problems

and continuing with life. By contrast, if no goods or useful information are acquired and thus the shopping task remains unfulfilled, customers will feel dissatisfied with the retailers (Babin and Darden 1996). Therefore, it is reasonable to posit a positive association between utilitarian shopping value and customer satisfaction (Babin, Darden, and Griffin 1994).

In e-commerce settings, utilitarian shopping value refers to customers' evaluation to the companies' functional performance, such as efficiency, ease of use, personalization, and responsiveness. Some empirical research has verified that positive utilitarian online shopping value is an important antecedent of overall satisfaction (Szymanski and Hise 2000; Childers et al. 2001). Bauer, Falk, and Hammerschmidt (2006) argued that the utilitarian aspect of e-services is fundamental criteria in the assessment of e-tailers' performance and a strong predictor of customer satisfaction. Similarly, Wolfinbarger and Gilly (2003) show that the more easily e-customers find desirable products or information within the website and accomplish their shopping tasks, the more satisfied they will feel. Whether the website is effortless to navigate and whether customers' problems can be promptly handled have significant influence on customer satisfaction (Ribbink et al. 2004). Based on these discussions, the following hypothesis is proposed:

***Hypothesis 2a** Higher utilitarian shopping value will generate higher level of overall satisfaction.*

Hedonic Shopping Value and Satisfaction

In the field of retail research, some previous studies have shown that the multisensory, experiential, and emotional aspects of shopping are highly related to customer satisfaction (Arnold and Reynolds 2003; Westbrook and Black 1985). From a theoretical viewpoint, customers desire to sustain a consistency between their emotions and related evaluative judgments such as satisfaction (Gardner 1985). Satisfaction is a way to express and interpret customers' positive emotions (Dawson, Bloch, and Ridgway 1990). Consistent with Dawson, Bloch, and Ridgway's (1990) argument, Babin and Darden (1996) further explained that emotions aroused by a retail environment can enhance or diminish the value of time consumers spend in a shopping event, which in turn provides a source of satisfaction or dissatisfaction.

Furthermore, Jones, Reynolds, and Arnold (2006) suggested that affect is a key driver of satisfaction in the shopping context and found that hedonic shopping elements exert stronger influences on satisfaction with the retailer than utilitarian shopping elements do. This argument is consistent with the insights from environmental psychology which indicates that the tangible/physical store environment generates more emotional than cognitive customer reaction during the shopping process (Bitner 1990). Specifically, a number of store-based studies have found that ambient aspects of a retail store like physical facilities, styling or fashion (e.g., layout design or music), and congeniality of staff are important sources of customers' emotional responses (Wakefield and Blodgett 1999). The positive emotional responses can generate higher level of customer satisfaction (Yun and Good 2007).

Even though the online environment lacks typical factors which tend to evoke customers' emotional response (e.g., the physical feeling of a store atmosphere and face-to-face communication with the salespersons) (Holbrook and Hirschman 1982), some scholars have suggested that website interfaces can create a pleasant atmosphere using other components such as interactive games, multi-media, and eye-catching graphics (Childers et al. 2001; Bauer, Falk, and Hammerschmidt 2006; Yun and Good 2007). Previous studies have suggested that a pleasant online environment is an important factor in customers' evaluation of their shopping experience. For example, Hoffman and Novak (1996) argued that the greater online playfulness associated with experiential behavior results in more positive mood and greater shopping satisfaction. Szymanski and Hise (2000) reported that a website interface that makes online shopping pleasurable greatly impacts customers' satisfaction. Eighmey and McCord (1998) found that enjoyment is important for e-customers not only when they browse entertainment-oriented websites, but also when they visit e-tailing websites. Given these theoretical explanations and empirical evidences, it is reasonable to expect that hedonic shopping value is an important antecedent of overall satisfaction in online shopping setting. This leads to the formulation of the following proposition:

***Hypothesis 2b** Higher hedonic shopping value will generate higher level of overall satisfaction.*

3.2.3 Satisfaction and Loyalty

In recent decades, a cumulative body of empirical research has examined the relation between satisfaction and loyalty (Anderson, Fornell, and Lehmann 1994; Mano and Oliver 1993; Oliver 1993). Many studies have offered reasonable explanations for the positive satisfaction-loyalty relationship. Casaló, Flavián, and Guinalú (2008) argued that the customer who perceives that the company keeps its promise believes that the company's behavior will repeat in the future and thus is willing to strengthen his/her relationship with the company. He/she is more likely to increase the number of exchanges with the company and the degree of commitment to it. At the same time, the attraction of other alternatives on the market, within the similar product or service area, is weakened (Littlefield, Bao, and Cook 2000). Oliver (1999) demonstrated that satisfaction and loyalty are highly related but separate concepts and loyalty is largely, though not exclusively, satisfaction-driven. Similarly, Bloemer and Kasper (1995) considered satisfaction a necessary prerequisite for loyalty and Reicheld (1996) found that satisfaction is significantly related to loyalty only at a high level of satisfaction.

A large body of evidence in e-commerce contexts also confirms this relationship. In Shankar, Smith, and Rangaswamy's (2003) study, which compares online and offline environments, the positive relationship between satisfaction and loyalty is identified as even stronger online than offline. In another work, Anderson and Srinivasan (2003) compared the behavior of satisfied and dissatisfied customers and then concluded that satisfaction is a strong predictor of loyalty. Other researchers (Chiou 2004; Devaraj, Fan, and Kohli 2002; Szymanski and Hise 2000) have found that the overall satisfaction

experienced by customers reduces the perceived benefits of switching to other e-service providers, and thus enhances repurchase intention. In accordance with these studies, the following hypothesis is posited:

Hypothesis 3 Higher level of overall satisfaction towards the C2C platform will lead to greater customer loyalty towards it.

3.2.4 Moderating Effects of Consumer Involvement

Moderating Effect of Involvement between Utilitarian Value and Satisfaction

As an internal motivation, involvement is believed to moderate a consumer's information processing to marketing stimuli (Petty, Cacioppo, and Schumann 1983; Petty and Cacioppo 1986). Internal motivation refers to forces/drives that move the consumer from an initial state to a desired state (Bettman 1979). These forces/drives help direct arousal or activation levels toward stimuli, and play an important role in facilitating consumer outcomes such as satisfaction (Andrews, Durvasula, and Akhter 1990). Consumer involvement with shopping derives from the perceived importance and interest of the shopping activity based on consumers' inherent needs, values, and personality (Zaichkowsky 1985; Wakefield and Baker 1998). Consumers who are more involved in shopping show great interest and emotional engagement to the shopping activity (Mano and Oliver 1993; Wang et al. 2007). These "enthusiastic shoppers" (i.e., those with a high enduring involvement with shopping) are more likely to care about the emotional and entertaining aspects of shopping and seek for hedonic shopping value (emotional worth, excitement, and entertainment) (Wakefield and Blodgett 1998, p.522).

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In contrast, consumers who are less involved in shopping are less interested in this activity and are less likely to make use of their attention resources during shopping process (Greenwald and Leavitt 1984). These consumers prefer a less extensive decision-making process and search little information (Celsi and Olson 1988; Greenwald and Leavitt 1984). They appreciate the efficiency of the service and desire to accomplish the shopping task in an effortless manner (Clarke and Belk 1978). Therefore, compared with their more involved counterparts, less involved consumers will generate higher level of satisfaction from utilitarian shopping value which concentrates on the functional and efficient aspects of shopping. On the basis of these arguments, the following hypothesis is proposed:

***Hypothesis 4a** For customers who are less involved in online shopping, utilitarian shopping value will generate higher level of satisfaction than for those who are more involved.*

Moderating Effect of Involvement between Hedonic Value and Satisfaction

Bloch and Richins (1983) imply that involvement is a motivational state resulting from perceived importance and personal relevance of an object. Consumers who are more involved in shopping feel that the shopping activity is more important in their lives and are more likely to demonstrate emotional engagement to this activity (Hirschman and Holbrook 1982; Oliver 2010; Babin, Darden, and Griffin 1994; Greenwald and Leavitt 1984). The motivating property of involvement may magnify the effect of emotions on consumers' satisfaction with their shopping experience (McGuire 1974; Oliver 1997).

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For shoppers who are more involved in shopping, the affective responses triggered by shopping encounters may have a stronger effect on their evaluations of the retailer's performance than for those who are less involved in shopping (Dawson, Bloch, and Ridgway 1990). Furthermore, Holbrook (1994) argued that the more consumers get involved in a shopping activity, the more they enjoy it for its own sake and not just for the outcomes derived from it. In Wakefield and Baker's (1998) study, consumers who are more involved in shopping are found to spend more shopping time at the mall and derive pleasure and excitement directly from the time spent in exploring the mall environment. These consumers obtain more satisfaction from hedonic shopping value (i.e., fun, excitement, and pleasure) (Dawson, Bloch, and Ridgway 1990; Babin, Darden, and Griffin 1994).

Despite the important role of involvement in consumers' decision-making process (O'Cass 2000), very few empirical studies have examined the moderating effect of consumer involvement on consumers' evaluations to their shopping experience in the online setting. Eroglu, Machleit, and Davis (2001) postulated that consumer involvement moderates the relationship between atmospheric qualities of online stores and shoppers' attitude toward the stores, but the authors did not provide empirical support for this proposition. In a study considering the factors that affect customers' attitude toward a retail website, Elliott and Speck (2005) found that consumer involvement is one of the individual difference variables which moderate the associations between entertainment-oriented website factors (i.e., sensory and hedonic

stimuli) and a consumer's favorable attitude. In the light of the preceding discussion and findings, it is proposed that:

***Hypothesis 4b** For customers who are more involved in online shopping, hedonic shopping value will generate higher level of satisfaction than for those who are less involved.*

In sum, consistent with the research objectives, a conceptual model is presented and the relationships among five constructs have been elaborated. First of all, five causal relationships among four theoretical constructs (i.e., utilitarian shopping value, hedonic shopping value, satisfaction, and loyalty) are developed. Following this, two moderating effects of consumer involvement in the relationships of utilitarian shopping value and satisfaction, as well as hedonic shopping value and satisfaction, are proposed. A summary of these seven hypotheses is listed in Table 3.1.

Table 3.1 Summary of Research Hypotheses

Causal Effects	H1a Higher utilitarian shopping value will generate greater customer loyalty.
	H1b Higher hedonic shopping value will generate greater customer loyalty.
	H2a Higher utilitarian shopping value will generate higher level of overall satisfaction. H2b Higher hedonic shopping value will generate higher level of overall satisfaction.
	H3 Higher level of overall satisfaction towards the C2C platform will lead to greater customer loyalty towards it.
Moderating Effects	H4a For customers who are less involved in online shopping, utilitarian shopping value will generate higher level of satisfaction than for those who are more involved. H4b For customers who are more involved in online shopping, hedonic shopping value will generate higher level of satisfaction than for those who are less involved.

CHAPTER 4 RESEARCH METHODOLOGY

This chapter describes how the research was conducted. Although qualitative research can generate valuable insights into the conceptual framework, this study focused on examining the relationships among the constructs and for this a quantitative approach was deemed appropriate. This chapter discusses questionnaire design, research measurements, survey method, sampling design, pilot study, data collection procedures, sample profile and the statistical methods used to analyze the proposed conceptual model.

4.1 Questionnaire Design and Research Measurements

An online questionnaire comprising a total of 40 questions (Appendix 2A) was designed to investigate consumers' shopping experience in the Chinese online C2C market. The questionnaire started with two screen questions: "When was your most recent online shopping experience in Taobao.com?" and "How many times did you patronage Taobao.com in the past three months?". They were used to determine qualified respondents i.e. those who had visited the C2C platform (Taobao.com) at least once in the past three months and overcome the problem of respondents' memory decay. The following sections of the questionnaire capture five key constructs in this study – hedonic shopping value, utilitarian shopping value, consumer involvement, satisfaction, and loyalty. The operationalization of all these five constructs is based on the studies discussed in the literature review. All of items measuring these constructs relied on existing validated scales. Hedonic shopping value, utilitarian shopping value, satisfaction and loyalty were measured using seven-point Likert scales, ranging from "1

= strongly disagree” to “7 = strongly agree”. Consumer involvement was measured using a seven-point semantic differential scale. In order to assess the representativeness of the sample, socio-demographic information (i.e., gender, age, level of education, marital status, and monthly salary) was included at the end of the questionnaire.

The items of hedonic and utilitarian shopping values were adapted from two validated scales developed by Babin, Darden, and Griffin (1994) and Wang et al. (2007). Minor revisions were made when appropriate. The hedonic shopping value scale reflects the enjoyable, emotional, and playful aspects of online shopping. The utilitarian shopping value scale focuses on the efficient, functional, and task-oriented aspects of online shopping. The hedonic shopping value scale includes 7 items and the utilitarian shopping value scale includes 4 items. The scales of satisfaction and loyalty are well established and have been frequently employed in e-tailing research (Yen and Lu 2008; Anderson and Srinivasan 2003). Satisfaction was measured with 5 items and loyalty was measured with 6 items. The items of consumer involvement were adapted from Zaichkowsky’s (1985) personal involvement inventory scale (PII). This context-free scale is convenient to use and captures a major factor of “personal relevance” - the central meaning of involvement (Mittal 1995). Consumer involvement was measured using 10 bi-polar adjectives on a semantic differential scale with a seven-point rating. All measurement scales and their sources are displayed in Tables 4.1 and 4.2.

The online survey was undertaken in the Chinese context, and thus items originally in English were translated into Chinese. Two researchers translated items from English

into Chinese independently and clarified the content validity of the measurement scales. The questionnaire was then back-translated into English by a professional translator unfamiliar with the survey measurements. The inconsistencies between the original and back-translated versions were identified and corrected.

Table 4.1 Semantic Differential Scale for Consumer Involvement

The following ten adjectives represent your involvement with online shopping. They describe your perceived importance and personal relevance of “online shopping”.

To me online shopping is:

(1)	Unimportant	1	2	3	4	5	6	7	Important
(2)	Of no concern	1	2	3	4	5	6	7	Of concern to me
(3)	Irrelevant	1	2	3	4	5	6	7	Relevant
(4)	Means nothing	1	2	3	4	5	6	7	Means a lot
(5)	Nonessential	1	2	3	4	5	6	7	Essential
(6)	Worthless	1	2	3	4	5	6	7	Valuable
(7)	Trivial	1	2	3	4	5	6	7	Fundamental
(8)	Not beneficial	1	2	3	4	5	6	7	Beneficial
(9)	Doesn't matter	1	2	3	4	5	6	7	Matters to me
(10)	Insignificant	1	2	3	4	5	6	7	Significant

Source: Zaichkowsky (1985)

Table 4.2 Likert Scales for Shopping Values, Satisfaction and Loyalty

Constructs	Item Coders	Measurements	Source(s)
Hedonic Shopping Value (HSV)	HSV1	(1) The shopping experience on Taobao.com was truly a joy.	Babin, Darden, and Griffin (1994); Wang et al. (2007)
	HSV2	(2) Compared to other things I could have done, the time spent shopping on Taobao.com was truly enjoyable.	
	HSV3	(3) I enjoyed being immersed in exciting new information on Taobao.com.	
	HSV4	(4) I enjoyed the shopping experience on Taobao.com for its own sake, not just for the items I may have purchased.	
	HSV5	(5) While shopping on Taobao.com, I felt the excitement of the hunt.	
	HSV6	(6) While shopping on Taobao.com, I felt a sense of adventure.	
	HSV7	(7) The shopping experience on Taobao.com was a very nice time out.	
Utilitarian Shopping Value (USV)	USV1	(1) I could accomplish my shopping tasks on Taobao.com promptly.	Babin, Darden, and Griffin (1994); Wang et al. (2007)
	USV2	(2) While shopping on Taobao.com, I found what I was looking for easily.	
	USV3	(3) I felt that Taobao.com was efficient.	
	USV4	(4) Taobao.com could immediately help me address the problems during my shopping process.	
Satisfaction (SAT)	SAT1	(1) I am satisfied with my decision to use Taobao.com.	Yen and Lu (2008); Oliver (1980)
	SAT2	(2) My choice to use Taobao.com was a wise one.	
	SAT3	(3) I am pleased with the experience of using Taobao.com.	
	SAT4	(4) I am delighted with the experience of using Taobao.com.	
	SAT5	(5) My feelings about using Taobao.com were good.	
Loyalty (LOY)	LOY1	(1) I seldom consider switching to another C2C platform.	Anderson and Srinivasan (2003); Yen and Lu (2008)
	LOY2	(2) I try to use Taobao.com whenever I need to make a purchase online.	
	LOY3	(3) When I need to make a purchase online, Taobao.com is my first choice.	
	LOY4	(4) I like using Taobao.com.	
	LOY5	(5) To me Taobao.com is the best C2C platform to do business with.	
	LOY6	(6) I believe that Taobao.com is my favorite C2C platform.	

4.2 Online Survey

An online survey in the form of a self-administered and self-reported questionnaire was employed to collect data. This method is recommended by many scholars as an effective way of conducting Internet-related research (Yen and Lu 2008; Wolfinbarger and Gilly 2003). Grossnickle and Raskin (2000) argued that online survey may be a more useful method than pencil-and-paper questionnaire or an experimental method offline to understand online shoppers' behavior or perceptions. Furthermore, Wright (2005) indicated that Web-based samples are often huge, consisting of hundreds of thousands of potential respondents. They are more representative than traditional samples in terms of gender, education, age, socioeconomic status and geographic region (Gosling et al. 2004). Online shoppers are normally separated by geographic distances, so it is difficult to survey them in one location. Compared with traditional survey methods (e.g., street intercept, mail, or telephone survey), the online survey has the advantage of providing access to these geographically separated populations (Wright 2005). Therefore, it is reasonable to use online survey in this study.

4.3 Sampling Design

4.3.1 Selection of Sampling Population

The target population for this study consisted of the customers who had shopping experience in the Chinese online C2C market, and thus the unit of analysis was at the individual level. The most well-known online C2C platform in China - Taobao.com - was selected for investigation. Taobao.com was selected as the target website for the following reasons. According to a report by Analysys International (2010), a leading

consulting company in China, Taobao.com was the largest C2C e-commerce company in China and had been ranked as No.1 C2C platform in terms of the number of listed products and website traffic since 2005. By the end of 2009, Taobao.com had about 170 million registered members and covered most online C2C platform users in China (Taobao.com 2010). In 2007, Taobao.com's total transaction volume was \$2billion, accounting for 65.2 percent of the market share in the Chinese online C2C market (iResearch 2007). Taobao.com is the dominant online C2C marketplace in China and customers of Taobao.com are representative of shoppers in the Chinese online C2C market (Chen, Zhang, and Xu 2009). Drawing samples from this pool helps in generalizing the present results to a broader population.

4.3.2 Sample Size

Determining an appropriate sample size is an important issue to consider before data collection. Sample size affects the accuracy of the estimates and the statistical significance of the results (Hinkin 1995). In this study, sample size was determined by the data analysis technique - structural equation modeling (SEM). Kline (2005) suggested that SEM normally requires a larger sample size, but there is no fixed rule to determine how large a sample is needed. A sample size of more than 200 cases seems sufficient when employing SEM analysis (Kline 2005), but causes inflation in Chi-square values (Hair et al. 2006). Hair et al. (2006) provided a typical rule for SEM - a minimum ratio of at least five cases for each estimated parameter, with a ratio of ten cases per parameter considered more appropriate for statistical precision. The requirement of sample size is therefore determined by the model complexity. Another

commonly accepted rule-of-thumb to arrive at appropriate sample size is the item-to-response ratio. The number of scale items can be used to calculate the sample size for a study (Hinkin 1995). The recommendations for item-to-response ratios vary from 1:4 (Rummel 1970) to 1:10 (Schwab 1980). Based on these suggestions, the sample size of this study was proposed to be around 300.

4.4 Pilot Study

A pilot study of the questionnaire was carried out with 50 “Taobao.com” users recruited through personal contacts. Although a pilot study prior to a main survey serves many functions, the pilot test in this study aims to achieve the following four purposes. First, it helped to detect ambiguity in the wordings of the items and improve the clarity and readability of the measurement scales. Some minor modifications to eliminate ambiguous wordings were made following the constructive comments from these subjects. Second, it revealed potential problems associated with the online data collection technique. Feedback was obtained on the layout design of the questionnaire, the format of the scales, and the structure of website navigation. Third, due to the self-administered nature of online survey, the amount of time spent on completing the questionnaire was calculated (from five to ten minutes) to confirm the acceptability of the questionnaire. Finally, simple exploratory factor analysis (EFA) and reliability tests were conducted to uncover the construct structures and the reliability of the scales. Principal components analysis (PCA) with varimax rotation was conducted for EFA and Cronbach’s alphas were calculated for testing reliability. The preliminary results revealed acceptable psychometric properties for all of the measured variables.

4.5 Main Survey

To announce this online survey, a post with an invitation letter and the embedded URL link (http://qtrial.qualtrics.com/SE/?SID=SV_2fsDt9aOQaqBL3C) to the website hosting the questionnaire was published on the general section of the forums on Taobao.com. The forums of Taobao.com concentrate on the issues relating to selling and purchasing products or services on the same website and the registered users of the forums must be the registered members of Taobao.com, so the forum visitors were proposed to be more likely to have shopping experience in Taobao.com. The invitation letter described the research purpose, confidentiality statement, the instructions for completing the questionnaire and the researcher's contact information. All forum visitors who had shopping experience in Taobao.com were welcomed to participate in this survey. A ¥10 electronic cash coupon to be used on the same website was offered as an incentive to encourage participation.

The structured online questionnaire was designed using the survey software offered by Qualtrics (<http://www.qualtrics.com/>). To reduce incomplete responses, an answer to each question on a single page was compulsory before the respondents could proceed to the next page. The respondents could save an uncompleted survey and resume it at any time during the survey period. At the end of the questionnaire, the respondents were required to offer their e-mail addresses to submit the survey and obtain the electronic cash coupons. This can help to reduce multiple responses, although some participants may fill out the same questionnaire using different e-mail addresses (Konstan et al. 2005). The post and online questionnaire are attached in Appendices 1 and 2.

4.6 Data Screening and Sample Profile

Within the four-week survey period, 497 responses were collected; 351 of which (70.6%) were completed responses. 20 responses which were completed within five minutes and 4 responses which were from duplicated IP addresses were regarded as ineligible and thus were screened out. Among the remaining 327 cases, 317 were qualified as the customers whose most recent shopping experience was within the last three months. In other words, qualified respondents were restricted to those who had used the service of Taobao.com at least once in the three months prior to the survey. This restriction aims to ensure that the respondents can refer to recent memories when completing the questionnaire and in this way the measure accuracy is improved. The final sample size available for this study was 317 and the usable response rate was 63.8%.

The demographic characteristics of the sample are shown in Table 4.3. Among these 317 respondents, 60.6% were female and 39.4% were male. More than 80% of the respondents had a university degree or higher. 90% of the respondents were under 30 years old and 65% were single. A large proportion (74.1%) had a low or median level of monthly salary (less than 5000 RMB). Their occupations covered a wide range: students, teachers, clerks, specialists, officers, self-employed, technicians, housewives and retirees/unemployed. The demographic characteristics of these respondents were similar to online shopping consumer profile presented in the official annual report published by the China Internet Network Information Center (CNNIC 2011). Online shoppers were more likely to be women and young people with a high level of education and median salary.

Table 4.3 Demographic Profile of the Respondents

Measure	Items	Frequency	Percent	Cumulative Percent
Gender	Male	125	39.4	39.4
	Female	192	60.6	100.0
Age (in Years)	under 18	1	.3	.3
	18-24	99	31.2	31.5
	25-29	186	58.7	90.2
	30-34	26	8.2	98.4
	35-39	5	1.6	100.0
Level of Education	High school or below	11	3.5	3.5
	College Diploma	48	15.1	18.6
	Undergraduate	160	50.5	69.1
	Master	82	25.9	95.0
	PHD	16	5.0	100.0
Marital Status	Single	206	65.0	65.0
	Married	89	28.1	93.1
	Divorced /Separated	3	.9	94.0
	Unknown	19	6.0	100.0
Monthly Salary (RMB)	Less than 1000	62	19.6	19.6
	1000-2000	39	12.3	31.9
	2001-3000	57	18.0	49.8
	3001-4000	42	13.2	63.1
	4001-5000	35	11.0	74.1
	5001-6000	22	6.9	81.1
	6001-7000	23	7.3	88.3
	More than 7000	37	11.7	100.0

Note: n=317

4.7 Methods of Data Analysis

4.7.1 Exploratory Factor Analysis (EFA)

Factor analysis is an exploratory technique which can be used to identify the underlying structure of multiple variables in analysis (Hair et al. 2006). Exploratory factor analysis (EFA) results are useful in developing theory which leads to a proposed measurement model. In the present study, EFA was performed to determine the potential structure pattern and dimensionality of measurement scales, using principle component analysis (PCA) with varimax rotation. The number of factors to be extracted mainly depended on their having eigenvalues greater than one. Factor loadings of $\pm .4$ are generally considered significant. When an item has more than one significant loading, it is regarded as cross-loading. The cross-loading item then becomes a candidate for deletion (Hair et al. 2006).

4.7.2 Structural Equation Modeling (SEM)

Structural equation modeling (SEM) is a family of related statistical techniques, but two fundamental SEM techniques are confirmatory factor analysis (CFA) and path analysis (Kline 2005). A structural regression model which combines these two types of techniques can be utilized to test the associations and causal relationships among multiple latent variables. It allows researchers to assess the fit of the whole estimated model to the observed data by making available goodness-of-fit indices (Gefen, Straub, and Boudreau 2000). One crucial advantage of SEM is that it can deal with multiple relationships among variables simultaneously and examine multiple dependent variables at the same time (Hair et al. 2006). Maximum likelihood (ML) is the most commonly

used estimation method (Kline 2005), and was employed for model testing in the present study. It helps provide parameter estimates that best explain the observed covariance, as well as an overall test of model fit (Anderson and Gerbing 1988).

The two-step approach recommended by Anderson and Gerbing (1988) was adopted to test the causal model in the present study. Confirmatory factor analysis (CFA) was first conducted to confirm the factor structure of the measurement scales by performing Amos 17.0. Reliability and validity of the measurement scales were assessed using the results from exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). After the satisfactory measurement model was obtained, structural regression model was estimated to test the proposed causal relationships between the constructs. Both measurement model and structural model were assessed in terms of six indicators (χ^2/df , GFI, AGFI, RMSEA, IFI, and CFI), of which the first four are absolute fit indices and final two are incremental fit indices.

4.7.3 Reliability and Validity

Reliability concerns the extent to which the measure provides stable and consistent results (Hair et al. 2006). Reliability is a necessary but not a sufficient condition for validity (Tharenou, Donohue, and Cooper 2007). If the scale measures inconsistently at different times under different conditions, it is not reliable and therefore cannot be valid. There are three frequently used perspectives on reliability: stability, equivalence and internal consistency. Internal consistency is assessed using only one administration of an instrument or test and high consistency indicates similarity/homogeneity among the items (Blumberg, Cooper, and Schindler 2005). Cronbach's Coefficient Alpha (α),

construct reliability (C.R.) and average variance extracted (AVE) were calculated to assess internal consistency in this study.

Validity is regarded as the capacity of a research instrument to measure what it is purported to measure (Tharenou, Donohue, and Cooper 2007). In the present study, two types of validity were assessed: content validity and construct validity. Content validity is the extent to which a measurement scale provides adequate coverage of the meaning of a concept (Blumberg, Cooper, and Schindler 2005). Construct validity considers the ability of a measurement scale to accurately define the construct and is addressed by assessing both convergent validity and discriminant validity. Convergent validity assesses the degree to which the items of a construct are measuring the same theoretical concept. Discriminant validity measures the degree to which the items of a construct are different from the items of other constructs (Tharenou, Donohue, and Cooper 2007). Evidence of convergent validity was provided by analyzing each construct's factor loadings, average variance extracted (AVE) figure, and construct reliability (CR) score (Hair et al. 2006). The assessment of discriminant validity was made by comparing the average variance extracted (AVE) for any two constructs with the square of the correlation estimate between these two constructs (Fornell and Larcker 1981).

4.7.4 Multiple Regression Analysis

Multiple regression analysis was conducted to estimate the moderating effects of consumer involvement in the relationships between the independent variables (utilitarian shopping value and hedonic shopping value) and the dependent variable (satisfaction)

by using SPSS 17.0. Descriptive statistics of the variables were carefully examined before utilizing multiple regression analysis. Following Sharma, Durand, and Gur-Arie (1981) and Baron and Kenny's (1986) recommendations, three moderated regression equations were implemented. In the first step, the dependent variable was regressed on the independent variables. In the second step, the moderator variable (consumer involvement) was added into the equation. In the last step, interaction terms were entered into the regression model. If the interaction terms are significant and the change in R^2 is also statistically significant, the moderation effects are present (Baron and Kenny 1986; Hair et al. 2006). Interaction effect was also plotted by deriving separate equations for the high and low conditions (one standard deviation above and below the mean) of the moderator variable - consumer involvement (Aiken and West 1991).

CHAPTER 5 DATA ANALYSIS AND RESULTS

This chapter provides a detailed analysis of the results pertaining to the proposed conceptual model and consists of four main sections. The first section concerns general statistical issues, including examinations of both common method bias and non-response bias. The second section reports reliability and validity testing of the measurement model and this is followed by the analysis of the structural model, which examines the proposed causal relationships among four focal constructs. The third section describes the results of multiple regression analyses, which were implemented to test the moderating effects of consumer involvement on the relationships between online shopping values and satisfaction. Finally, all data analysis results are summarized.

5.1 Test of Common Method Bias

Common method bias may arise from using self-reported questionnaire measures in behavioral research when all data derive from the same source (Podsakoff et al. 2003). Common method variance (CMV) tends to inflate correlations, resulting in overestimations of the influence of hypothesized predictors (Lindell and Whitney 2001). To address the issue of common method bias, one of the most widely employed techniques is the Harman's one-factor test. The rationale for this test is that if common method variance poses a serious threat to the analysis and interpretation of the data, a single latent factor would account for a majority of the variance in the data (Podsakoff and Organ 1986). The results of the factor analysis in the present study suggested a five-factor solution, accounting for 67.3% of the variance (Table 5.3). All of these five factors had eigenvalues greater than 1. The first factor accounted for 22.1% of the

variance, and the remaining four factors accounted for 45.2% of the variance. The first factor failed to comprise a majority of the variance and there was no general factor in the unrotated factor structure. Therefore, common method variance is not a serious problem in this study.

5.2 Test of Non-Response Bias

Non-response bias refers to the bias that exists when respondents who participate in a survey are different from those who did not participate in terms of demographic or attitudinal variables (Sax, Gilmartin, and Bryant 2003). To minimize non-response bias and maximize participation, the present research employed an online survey to offer convenience to respondents while completing the questionnaire and increase the likelihood of their participation. The online survey ensured complete anonymity and confidentiality of the responses. ¥10 electronic cash coupon was provided as incentives to improve the response rate. The result shows that demographic profile of the sample was similar to that of the general Chinese online shoppers (CNNIC 2011).

Furthermore, the “extrapolation” method (Armstrong and Overton 1977) was employed to estimate non-response bias. This method assumes that the late respondents are relatively less interested in participating in the survey and are expected to be similar to non-respondents. Non-response bias can be determined by comparing the answers from the early respondents with those from the late respondents.

Following Kanuk and Berenson (1975), the whole sample was divided into two groups, namely early respondents and late respondents. The usable sample of 317 cases was split into two parts based on the survey return times. The first half of the completed questionnaires is regarded as the group of early respondents (n=159) and the second half is considered as the group of late respondents (n=158). Two independent-samples t-tests were employed to determine whether there were any significant differences in the mean scores of all the variables, including the five key constructs and the five demographic variables. The results (Table 5.1) revealed that there was no significant difference at the .05 significance level between early respondents and late respondents in the mean scores of all the variables. This indicated that non-response bias did not arise as a critical issue in this study.

Table 5.1 Test of Non-response Bias

	Early Responses (N=159)	Late Responses (N=158)	Significance
Hedonic Shopping Value	4.3630	4.2911	.553
Utilitarian Shopping Value	4.0566	4.2025	.262
Consumer Involvement	4.7925	4.8361	.674
Satisfaction	4.8289	4.9076	.493
Loyalty	5.0679	5.0101	.634
Gender	1.6038	1.6076	.945
Age	2.7862	2.8038	.811
Education	3.1132	3.1646	.594
Marital Status	1.5472	1.4114	.128
Monthly Salary	3.6792	4.1646	.062

Independent-sample t-test, N=317.

5.3 Test of the Model

Anderson and Gerbing (1988) suggest a two-step stage to test the causal model, in which the measurement model is first validated and then the structural model is tested. This two-step approach was employed in the present study. In the first step, the overall measurement model was tested by assessing the goodness-of-fit (GOF) indices and examining the reliability and validity of the constructs. In the second step, the structural model which represented the causal relationships among the constructs was evaluated by utilizing multiple model fit statistics and standardized structural parameter estimates (Hair et al. 2006).

5.3.1 Test of Measurement Model

The measurement model was assessed using construct reliability and validity in the present study. The specific procedures include assessing the uni-dimensionality of the constructs, calculating the Cronbach's Coefficient Alpha (α) for the reliability, and examining the convergent and discriminant validity of the measurement scales (Doney and Cannon 1997). Both exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) were conducted to assess the uni-dimensionality and validity of the constructs.

Exploratory Factor Analysis (EFA)

Although all of the measures used in this study were borrowed from the existing literature, they were modified and applied to a different research context (i.e., Chinese online C2C market); therefore, a certain degree of re-assessment is necessary to validate

these scales (Hair et al. 2006). Anderson and Gerbing (1988) and Hair et al. (2006) suggested that the dimensionality of summated scales (i.e., several variables combined in a composite measure to represent a concept) has to be checked before assessing their reliability and validity. Exploratory factor analysis (EFA) was used to reassess the dimensionality of the scales of the five constructs, namely, hedonic shopping value, utilitarian shopping value, consumer involvement, satisfaction, and loyalty.

Before exploratory factor analysis was performed, the data matrix must be justified to have sufficient correlations for the application of factor analysis (Hair et al. 2006). Bartlett's test of sphericity and the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy (MSA) were conducted to determine the appropriateness of performing EFA. Bartlett's test of sphericity was used to indicate the statistical probability that the correlation matrix has significant correlations among the variables (Hair et al. 2006). Bartlett's test of sphericity should be statistically significant at $p < .05$ and the result of this study attained a significance level of .000. The KMO-MSA index was used to measure the sampling adequacy and quantify the degree of intercorrelations among the variables (Hair et al. 2006). The overall KMO-MSA value for the scales in this study was .932, which is regarded as a meritorious result ($\geq .80$) (Hair et al. 2006). As shown in Table 5.2, the numerical figures indicated that the present data set was appropriate for factor analysis.

Principle component analysis (PCA) with Varimax rotation was used to extract factors. The criterion for the factor extraction was an Eigenvalue greater than 1. The

dimensionality of each scale was assessed by calculating factor loadings. Hair et al. (2006) and Hinkin (1995) suggest the following judgments of factor loadings: loadings of ± 0.40 are minimally acceptable; loadings of ± 0.50 or greater are considered practically significant and loadings exceeding ± 0.70 are considered indicative of well-defined structure. Following the guidelines, factor loading greater than 0.4 was used as the cut-off point for factor interpretation and all loadings below 0.4 were suppressed in the matrix table.

The initial results of EFA indicated that one of the loyalty items (**LOY4** “I like using this C2C platform”) was cross-loaded on the satisfaction component (Hair et al. 2006). After deleting this cross-loading item, the remaining 31 items generated a satisfactory five-factor solution (Table 5.3). The final EFA results supported the uni-dimensionality of each construct (Nunnally 1978). The total variance explained after extraction was 67.3%, over the minimum acceptable level of 60% (Hinkin 1995). The Eigenvalue of all the factors extracted were greater than 1 and the minimum value was 1.260. Most factor loadings were higher than 0.7, which is regarded as a statistically significant result. Although some factor loadings were lower than 0.7, they were higher than 0.5, which is acceptable in research practice (Hair et al. 2006). The EFA result presents a clear picture of underlying five-factor structure of the variables used in this study.

Table 5.2 KMO and Bartlett’s Test for the Measurement Scales

KMO-MSA		.932
Bartlett’s Test of Sphericity	Approx. Chi-Square	7203.970
	df	465
	Sig.	.000

Table 5.3 EFA Results of the Measurement Scales

Constructs	Items	Components					Reliability
		F1	F2	F3	F4	F5	Cronbach's Alpha
Hedonic Shopping Value (HSV)	HSV1	.705					.869
	HSV2	.652					
	HSV3	.721					
	HSV4	.723					
	HSV5	.764					
	HSV6	.720					
	HSV7	.688					
Utilitarian Shopping Value (USV)	USV1		.708				.777
	USV2		.758				
	USV3		.840				
	USV4		.695				
Consumer Involvement (CI)	CI1			.765			.945
	CI2			.682			
	CI3			.781			
	CI4			.674			
	CI5			.825			
	CI6			.765			
	CI7			.652			
	CI8			.807			
	CI9			.791			
	CI10			.784			
Satisfaction (SAT)	SAT1				.726		.930
	SAT2				.714		
	SAT3				.788		
	SAT4				.686		
	SAT5				.778		
Loyalty (LOY)	LOY1					.736	.876
	LOY2					.685	
	LOY3					.702	
	LOY5					.829	
	LOY6					.826	
Eigenvalue		2.674	1.260	12.686	2.243	1.990	
Variance (%)		13.811	8.323	22.091	11.833	11.211	

Confirmatory Factor Analysis (CFA)

As noted by Hair et al. (2006), the EFA technique has no means of determining appropriateness of the factor structures other than the correlations among variables. It becomes the researchers' responsibility to evaluate whether the observed structures are conceptually valid. Unlike EFA, CFA restricts a priori both the number of factors and which variables load on those factors based on theoretical support rather than empirical results. Confirmatory factor analysis (CFA) is the only technique available to directly test uni-dimensionality (Anderson and Gerbing 1988) and provides a confirmatory assessment of convergent validity and discriminant validity for the constructs (Hair et al. 2006). All of the latent constructs used in this study were first-order factor models and the overall measurement model was tested with all latent constructs specified as correlated with each other (Kline 2005). This assessment provides a baseline for the fit of the structural model. Hatcher (1994) suggests that at least three indicators are needed to adequately represent a latent construct and model modifications can be made to obtain a better-fitting model.

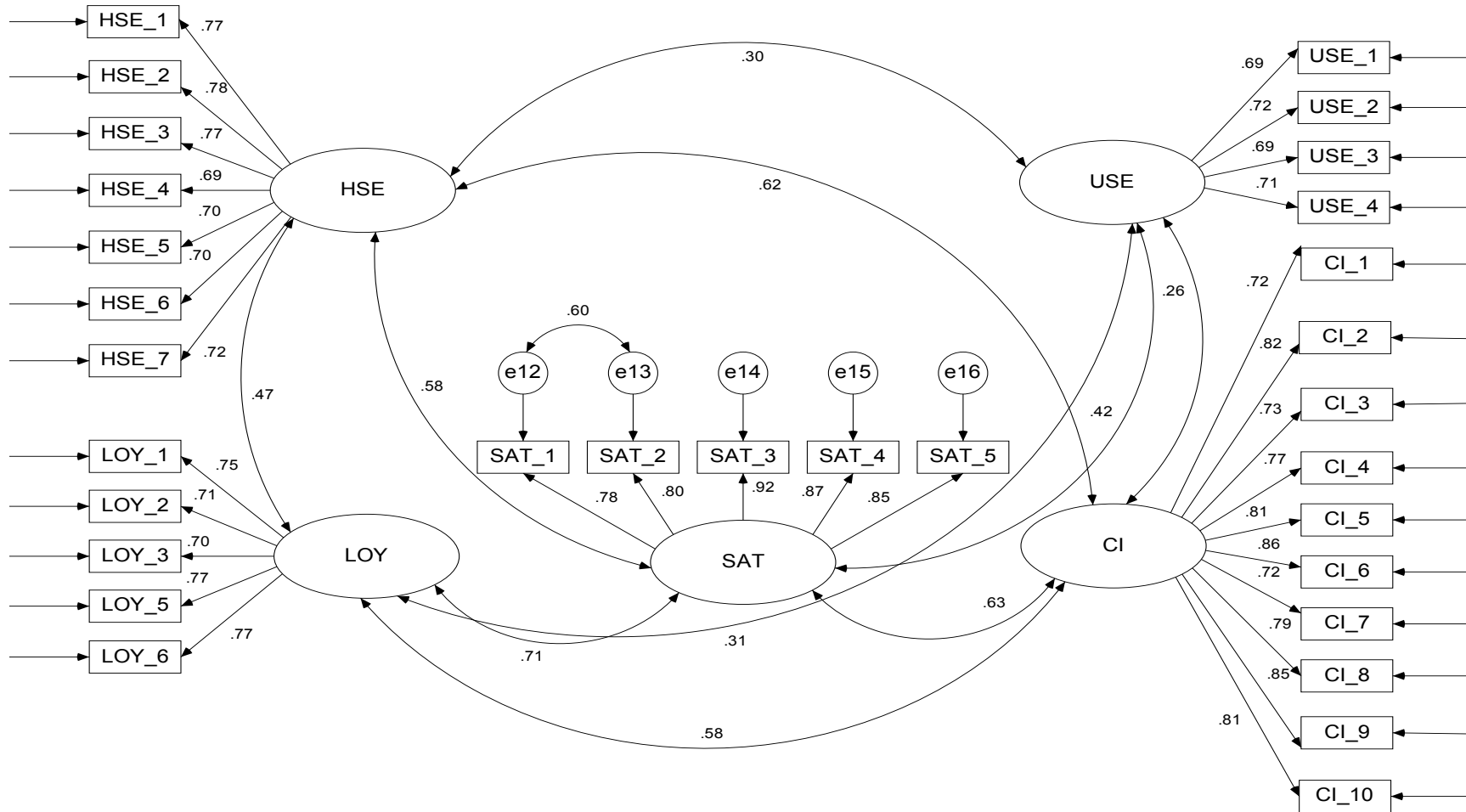
The results of standardized estimates of the measurement model are presented in Figure 5.1. All standardized factor loadings were highly significant ($p < .001$) and most loadings were above the ideal level of 0.7 (Hair et al. 2006). The acceptability of the measurement model was assessed using the goodness-of-fit indices. Chi-square (χ^2) is the most fundamental measure of overall model fit. A significant χ^2 value ($p < .05$) means the observed and estimated models are significantly different, so it is desirable to obtain a non-significant χ^2 value. However, the χ^2 statistic is sensitive to sample size and

the number of observed variables (Hair et al. 2006). Given the large sample size (N=317) and degrees of freedom (401), it was not surprising to find a significant chi-square ($\chi^2=802$; P=.000). As shown in Table 5.4, GFI (.851) was lower than the cutoff value of .90. Other goodness-of-fit indices which are not heavily influenced by sample size ($\chi^2/df=2.000$, AGFI=.816, RMSEA=.056, IFI=.943, CFI=.943) indicated a good fit between the hypothesized CFA model and the data. The CFA results further confirmed the uni-dimensionality of the constructs.

Table 5.4 Goodness-of-Fit Indices for the Overall Measurement Model

Goodness-of-Fit Indices		Model Fit	Fit Guidelines (Hair et al. 2006)
Absolute Fit	χ^2/df	2.000	1-3
Indices	GFI	.851	$\geq .90$
	AGFI	.816	$\geq .80$
	RMSEA	.056	.05- .08
Incremental Fit	IFI	.943	$\geq .90$
Indices	CFI	.943	$\geq .90$

Figure 5.1 CFA Results of the Overall Measurement Model (n=317)



Reliability

Reliability refers to the extent to which a measure is free of random measurement error (Smithson 2005). If a multi-item measure has little random measurement error, it is expected that the items are consistent with each other. Internal consistency reliability is the capacity of an individual item or indicator to represent a common core concept reflected by a construct. If the items or indicators of a composite scale measure the same construct, they can be said to be highly intercorrelated. Cronbach's Coefficient Alpha (α) is typically used to assess internal consistency reliability (Hair et al. 2006). In general, measurements that are highly reliable have alpha coefficients of .90 or greater, while scales that have alpha below .70 can be said to have less than fair reliability (Nunnally 1978). As shown in Table 5.3, all the coefficient alpha of the measurement scales (ranging from .777 to .945) surpassed the .70 threshold requirement and thus all constructs used in this study can be considered to exhibit adequate reliability.

Validity

Validity is concerned with whether a measurement instrument measures what it is supposed to measure (Blumberg, Cooper, and Schindler 2005). It is the extent to which a set of indicators accurately represent the concept of interest (Hair et al. 2006). One widely accepted classification of validity is content validity, criterion-related validity, and construct validity (Blumberg, Cooper, and Schindler 2005).

Content Validity

Content validity refers to whether the items designed for the measure adequately cover the domain of interest. It focuses on the extent to which the content of a measure is representative of a wider body of material that it is trying to assess (Hair et al. 2006). Content validity is often achieved through a careful selection of items, a thorough review of the relevant literature and consultations with subject matter experts (Tharenou, Donohue, and Cooper 2007). The research instrument used in this study was developed through extensive review of pertinent studies and further confirmed by expert judges as well as results from the pilot study. These collective evidences suggested that the content validity of the present measures was sufficient.

Construct Validity

Construct validity examines how closely the measures accurately reflect the intended construct (Hair et al. 2006). It refers to whether a measure relates to other measures in ways predicted by the underlying theory of the constructs. It deals with the accuracy of measurement and is comprised of two subtypes, namely, convergent and discriminant validity (Tharenou, Donohue, and Cooper 2007). Three sources of evidence - convergent, discriminant, and factorial evidence - can help determine construct validity (Morgan, Gilner, and Harmon 2001).

Convergent Validity

Convergent validity is concerned with the degree of agreement among measures of the same construct (Tharenou, Donohue, and Cooper 2007). Convergent validity can be

assessed in several ways; factor loadings, average variance extracted (AVE) figure, and composite reliability (CR) score were applied in this study. Hair et al. (2006) suggested that standardized factor loading estimates should be at least .5 and ideally .7 or higher. In the present study, all of the standardized factor loadings of the indicators were highly significant ($p < .001$) and close to or higher than .7 (Figure 5.1), showing a good convergent validity for each construct.

The average variance extracted (AVE) is a summary indicator of convergence among a set of items measuring the same construct. It is computed as the average squared factor loading and represents the proportion of measure variance attributable to the underlying items. The value of AVE should be .5 or higher to suggest satisfactory convergent validity (Hair et al. 2006). Another indicator of convergent validity often used in conjunction with SEM models is construct reliability (CR) (Hair et al. 2006). CR indicates the extent to which a set of measures consistently represents the latent construct that they are supposed to measure. A CR value of .7 or higher suggests good reliability and between .6 and .7 is acceptable (Hair et al. 2006). As shown in Table 5.5, all construct reliability (CR) values were greater than .7, and all average variance extracted (AVE) figures arrived at .5 or higher. It can be stated with some confidence that the convergent validity of the constructs used in this study is adequate.

Discriminant Validity

The discriminant validity of a construct demonstrates the extent to which its measure is distinct from the measures of other constructs (Hair et al. 2006). It might be possible -

despite different names and items and good alpha values - for two measurement scales to be so correlated that they cannot be considered as measuring different constructs (Laurent and Kapferer 1985). Discriminant validity of the measurement model was assessed by means of Fornell and Larcker's (1981) comparison of average variance extracted (AVE) for any two constructs and the square of the correlation estimate between these two constructs. The basic logic is that a latent construct should explain its own indicators better than it explains another construct. As for all possible construct pairs, the average variance extracted (AVE) values from the constructs exceed the squared correlation between the two respective constructs (Table 5.5). This provides evidence for the presence of discriminant validity (Hair et al. 2006).

Table 5.5 Convergent and Discriminant Validity Assessment

Constructs	HSV	USV	CI	SAT	LOY	AVE	CR
Hedonic Shopping Value (HSV)	1.00					.5384	.8906
Utilitarian Shopping Value (USV)	.298 (.089)	1.00				.4937	.7959
Consumer Involvement (CI)	.623 (.388)	.260 (.068)	1.00			.6232	.9428
Satisfaction (SAT)	.583 (.340)	.416 (.173)	.627 (.393)	1.00		.7148	.9259
Loyalty (LOY)	.471 (.222)	.308 (.095)	.581 (.338)	.709 (.503)	1.00	.5485	.8584

Note: Squares of the correlation estimates between any two latent constructs are presented in the parentheses.

In sum, the satisfactory outcomes of the absolute fit indices and incremental fit indices provided the evidence that the goodness-of-fit for the overall measurement model was supported by the data. The results of EFA and CFA uncovered the unidimensionality of all the focal constructs used in this study, namely, hedonic shopping value, utilitarian shopping value, consumer involvement, satisfaction, loyalty. The assessments of Cronbach's Coefficient Alpha (α), standardized factor loadings, composite reliability (CR) and average variance extracted (AVE) demonstrated adequate reliability and convergent validity of the measurements. All average variance extracted (AVE) estimates for paired constructs were greater than their corresponding inter-factor squared correlations and thus satisfactory discriminant validity was achieved. Therefore, all constructs under study showed adequate psychometric properties.

5.3.2 Test of Structural Model

Given the adequate goodness-of-fit for the overall measurement model, a structural model which integrated a hybrid of the measurement model and path analysis was specified based on the proposed hypotheses in this study. Utilitarian shopping value (USV) and hedonic shopping value (HSV) were two exogenous latent constructs, while satisfaction (SAT) and loyalty (LOY) were two endogenous latent constructs. The postulated causal relationships were represented by five paths: a) from utilitarian shopping value to loyalty; b) from hedonic shopping value to loyalty; c) from utilitarian shopping value to satisfaction; d) from hedonic shopping value to satisfaction; and e) from satisfaction to loyalty.

The results showed a significant chi-square value ($\chi^2 = 414.293$; $p = .000$) with 168 degrees of freedom. However, for a model with 21 observed variables and a sample size of 317, it is not unusual to produce a significant χ^2 statistic (Hair et al. 2006). As presented in Table 5.6, other goodness-of-fit indices which are not heavily influenced by sample size and the number of observed variables were satisfactory ($\chi^2/df = 2.466$, GFI = .886, AGFI = .843, RMSEA = .068, IFI = .941, CFI = .941) and indicated that the proposed structural model fitted the data reasonably well (Hair et al. 2006).

Table 5.6 Goodness-of-Fit Indices for the Proposed Model

Goodness-of-Fit Indices		Model Fit	Fit Guidelines (Hair et al. 2006)
Absolute Fit	χ^2/df	2.466	1-3
Indices	GFI	.886	$\geq .90$
	AGFI	.843	$\geq .80$
	RMSEA	.068	.05- .08
Incremental Fit	IFI	.941	$\geq .90$
Indices	CFI	.941	$\geq .90$

As shown in Figure 5.2, the R^2 (i.e., squared multiple correlation) values for satisfaction and loyalty were 40% and 50%, respectively, which are reasonable values in behavioral science research (Tharenou, Donohue, and Cooper 2007). These two figures indicated that the proposed model accounted for a large proportion of the variance in the measured items.

The standardized path coefficients of the proposed model are also presented in Figure 5.2 and Table 5.7. The direct paths from utilitarian shopping value (USV) to loyalty

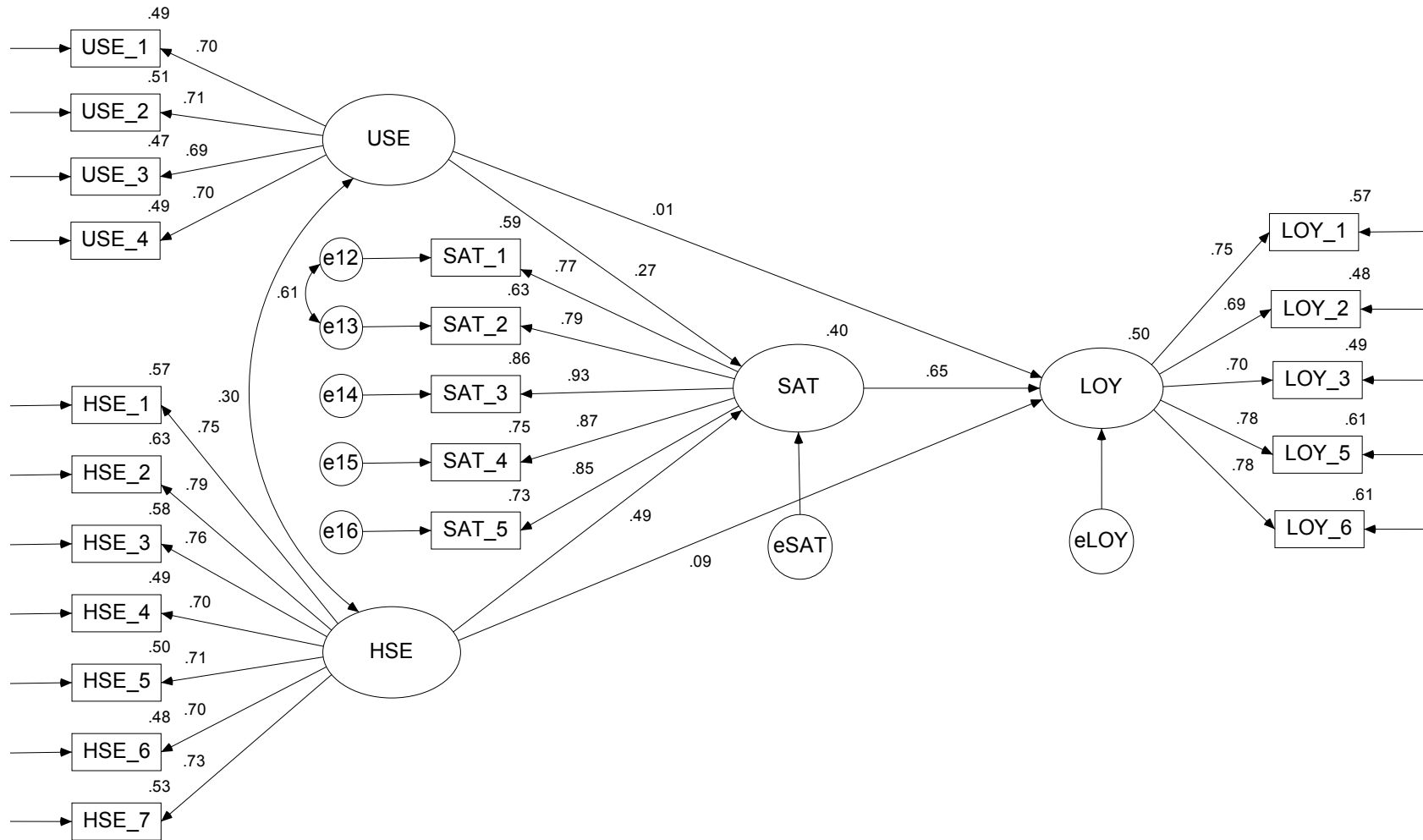
(LOY) and from hedonic shopping value (HSV) to loyalty (LOY) were insignificant and expected to be 0. Therefore, H1a and H1b were not supported. Utilitarian shopping value (USV) and hedonic shopping value (HSV) were shown to be two significant predictors of satisfaction (the corresponding standardized path coefficients were .27 and .49, respectively). The positive effect of satisfaction (SAT) on loyalty (LOY) was also significant ($P < .01$), with a standardized path coefficient of .65. Hence, H2a, H2b, and H3 were supported. Although utilitarian shopping value (USV) and hedonic shopping value (HSV) did not affect loyalty directly, the results showed that they had significant indirect effects on loyalty (LOY). The underlying relationships are fully mediated by satisfaction (SAT).

Table 5.7 Estimates of the Proposed Model

Path				Std. Estimate	S.E.	C.R.	P-value
H1a	USV	--->	LOY	.013	.073	.212	.832
H1b	HSV	--->	LOY	.086	.071	1.389	.165
H2a	USV	--->	SAT	.270	.082	3.163	.002**
H2b	HSV	--->	SAT	.494	.057	7.936	.000***
H3	SAT	--->	LOY	.650	.097	8.370	.000***

Note: N=317; ** $p < .01$; *** $p < .001$ (2-tailed)

Figure 5.2 Standardized Regression Weights of the Proposed Model (n=317)



5.4 Test of Moderating Effects of Consumer Involvement

The possible moderating effects of consumer involvement were examined by implementing moderated regression analyses (MRA) (Aiken and West 1991). Although some scholars suggest that multiple-group comparison can be used to identify the presence of “intervally-coded” or “continuous” moderators (Babin and Darden 1995; Chiou 2000), this method may cause the loss of critical information resulting from artificial splitting of the whole sample into two sub-groups based on the median value of the moderator (Sharma, Durand, and Gur-Arie 1981). To avoid such loss of information, moderated regression analyses (MRA), which maintain the integrity of a sample, were employed to assess the moderating effects in the present study. Before conducting moderated regression analyses, the composite score for each latent construct was created. All five focal constructs under study were formulated as summated scales with multiple items. The results of EFA and CFA demonstrated the uni-dimensionality of each construct, so the composite score, which was calculated by averaging items of each scale, can reliably represent the corresponding latent construct (Hair et al. 2006).

5.4.1 Descriptive Statistics

The descriptive statistics (means and standard deviations) for all the measured variables and their inter-correlations are shown in Table 5.8. The mean values of all the five key constructs under study were above the mid-point 3.5 on a 7-point scale. Of the five constructs, loyalty recorded the highest mean value (5.04), followed by satisfaction (4.87), consumer involvement (4.80), hedonic shopping value (4.33), and utilitarian shopping value (4.13). Generally, the majority of respondents felt satisfied with the

performance of Taobao.com and demonstrated commitment to it. The high mean score of consumer involvement (4.80) implied that the average level of respondents' involvement with online shopping was high. The standard deviations for the constructs ranged from 1.02 for consumer involvement and satisfaction to 1.16 for utilitarian shopping value, indicating sufficient variations in the responses.

The inter-correlation coefficients in the matrix indicated the strength of relationships between the variables. As revealed in Table 5.8, all four key constructs used in the regression analyses (i.e., utilitarian shopping value, hedonic shopping value, consumer involvement and satisfaction) registered significantly positive correlations with each other ($p < .01$). Previous studies suggested that demographic characteristics may affect consumers' satisfaction with the retailer (Yang and Peterson 2004), so five demographic variables, namely, gender, age, education, marital status, and monthly salary were controlled in the present study. The bivariate correlation results showed that none of these control variables except age were significantly correlated with satisfaction. Age was positively related to satisfaction ($r = .131$, $p < .05$), indicating that the older respondents showed a higher level of satisfaction with the performance of Taobao.com.

Table 5.8 Descriptive Statistics and Intercorrelation Matrix

	Mean	St. Dev	1	2	3	4	5	6	7	8	9	10	
Main Constructs													
1	Utilitarian Shopping Value (USV)	4.13	1.16	1.00									
2	Hedonic Shopping Value (HSV)	4.33	1.08	.245**	1.00								
3	Consumer Involvement(CI)	4.80	1.02	.214**	.475**	1.00							
4	Satisfaction(SAT)	4.87	1.02	.380**	.539**	.556**	1.00						
5	Loyalty(LOY)	5.04	1.08	.241**	.417**	.491**	.635**	1.00					
Control Variables													
6	Gender	1.61	.49	-.102	.170**	.227**	.093	.094	1.00				
7	Age	2.80	.66	.162**	.036	.093	.131*	.083	.053	1.00			
8	Education	3.14	.86	-.056	-.066	.007	.046	-.053	.108	.197**	1.00		
9	Marital Status	1.48	.79	.088	.079	.106	.083	.118*	.138*	.196**	.023	1.00	
10	Monthly Salary	3.92	2.31	.033	-.009	.028	.086	.024	-.011	.407**	.411**	.105	1.00

Note: N=317; * $p < .05$; ** $p < .01$ (2-tailed)

5.4.2 Moderated Regression Analyses

Moderated regression analyses (MRA) were employed to test the moderating effect of consumer involvement in the relations between two types of online shopping values and satisfaction (Sharma, Durand, and Gur-Arie 1981). Following Baron and Kenny (1986), three regression equations were examined to determine the statistical significance of the interaction terms and identify the moderating effects of consumer involvement:

$$1) \text{ SAT} = \beta_{01} + \beta_{11}\text{USV} + \beta_{21}\text{HSV} + \varepsilon_{11},$$

$$2) \text{ SAT} = \beta_{02} + \beta_{12}\text{USV} + \beta_{22}\text{HSV} + \beta_{32}\text{CI} + \varepsilon_{12}, \text{ and}$$

$$3) \text{ SAT} = \beta_{03} + \beta_{13}\text{USV} + \beta_{23}\text{HSV} + \beta_{33}\text{CI} + \beta_{43}\text{USV}*\text{CI} + \beta_{53}\text{HSV}*\text{CI} + \varepsilon_{13},$$

where

SAT =Satisfaction,

USV =Utilitarian Shopping Value,

HSV =Hedonic Shopping Value, and

CI =Consumer Involvement.

Prior to implementing the regression analysis, the independent variables (hedonic shopping value and utilitarian shopping value) and moderator variable (consumer involvement) were mean-centered to facilitate the interaction terms. Interaction terms were created by multiplying the independent variables by the moderator (Aiken and West 1991; Hair et al. 2006). These procedures help in reducing the potential multicollinearity between the predictors and the interaction terms. The dependent

variable (satisfaction) was not mean-centered since it had no effect on regression coefficients in the equation which includes interaction terms (Aiken and West 1991).

Variance inflation factor (VIF) and collinearity diagnoses were performed to examine the effects of multicollinearity among the independent variables (Hair et al. 2006). The calculated variance inflation factor (VIF) values for all four models ranged between 1.068 and 1.404 and were far below the cutoff threshold of 10, so no serious threat of multicollinearity can be said to exist in the present study (Hair et al. 2006).

Table 5.9 presents the results of the moderated regression analyses for the moderating effects of consumer involvement. In Model 1, satisfaction was regressed on the control variables which describe the demographic characteristics of the respondents. None of the demographic variables (gender, age, education, marital status, and monthly salary) significantly influenced satisfaction. These results were consistent with those reported in previous studies discussing e-satisfaction (Yang and Peterson 2004; Wang et al. 2007). Next, the independent variables (utilitarian shopping value and hedonic shopping value) and the moderator variable (consumer involvement) were entered into the main effect models (Models 2 and 3) as predictors of the dependent variable (satisfaction). The change in R^2 resulting from the addition of each set of predictor variables yielded a significant increase in the explanation of the variance in satisfaction ($\Delta R^2=.341$ for model 2, $p<.001$; $\Delta R^2=.094$ for model 3, $p<.001$).

In the final stage, all of the interaction terms (USV*CI and HSV*CI) and predictor variables were incorporated into a comprehensive model to assess the moderating influence of consumer involvement. An examination of the change in R^2 between the main effect model (Model 3) and the comprehensive model (Model 4) indicated that the inclusion of the interaction term USV*CI significantly increased the explanatory power in satisfaction ($\Delta R^2=.018$, $p<.01$). The significantly negative regression coefficient of the interaction term USV*CI ($\beta = -.141$, $p<.01$) implied that consumer involvement weakens the positive relationship between utilitarian shopping value and satisfaction (Baron and Kenny 1986). Hence, H4a was supported. However, the interaction term HSV*CI was not significant ($\beta = .020$, n. s.) and failed to significantly contribute to the comprehensive model (Model 4). This implied that consumer involvement (CI) did not exert a moderating effect in the relationship between hedonic shopping value and satisfaction. It follows that H4b was not supported.

To shed further light on the specific nature of the moderating (interaction) effect of consumer involvement, the graphical analysis recommended by Aiken and West (1991) was conducted. The significant interaction effect was plotted based on one standard deviation above and below the mean of the moderator variable. The interaction plots (Figure 5.3) showed that higher utilitarian shopping value (USV) evoked higher level of satisfaction (SAT). Such relationship was found to be stronger for the consumers who are less involved with online shopping than for those who are more involved (as demonstrated by the much steeper regression slope). The plots suggested that consumer

involvement weakens the positive relationship between utilitarian shopping value and satisfaction, lending further support to H4a.

Table 5.9 Regression Results for Moderating Effects of Consumer Involvement

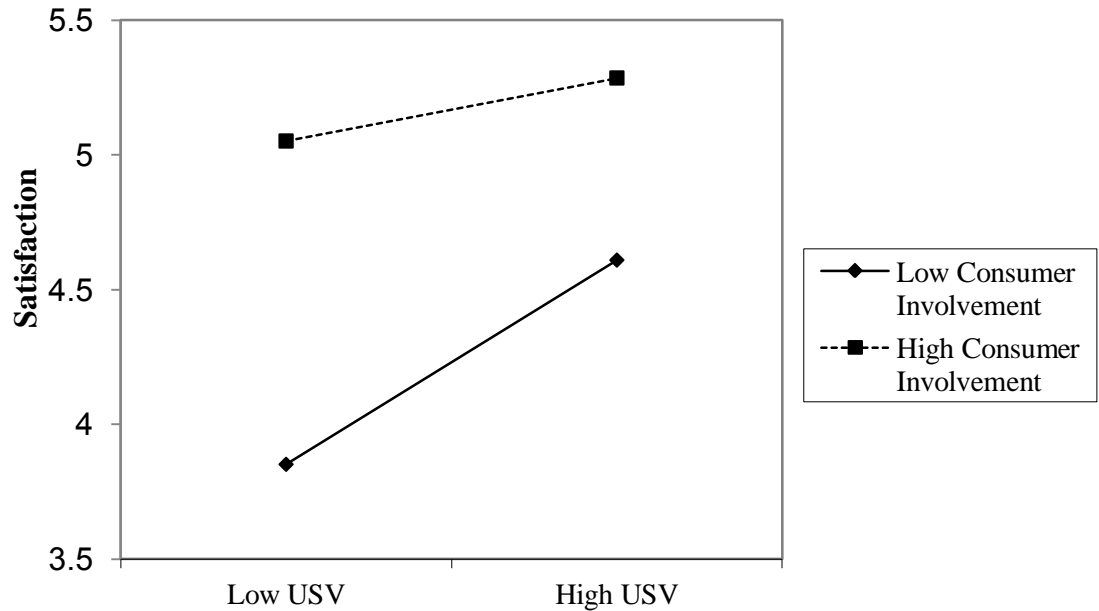
Steps	DV: Satisfaction	Model 1	Model 2	Model 3	Model 4
1	Control Variables				
	Gender	.082	.031	-.027	-.030
	Age	.101	.040	.026	.020
	Education	.000	.065	.060	.050
	Marital Status	.048	.005	-.006	-.005
	Monthly Salary	.041	.038	.037	.033
2	Independent Variables				
	USV		.263***	.220***	.231***
	HSV		.472***	.323***	.311***
3	Moderator Variable				
	CI			.359***	.345***
4	Moderating Effect				
	USV*CI				-.141**
	HSV*CI				.020
	R²	.028	.369	.463	.481
	Adjusted R²	.013	.355	.449	.464
	ΔR²	.028	.341***	.094***	.018**

Note: N=317;*** $p < .001$; ** $p < .01$.

USV =Utilitarian Shopping Value; HSV =Hedonic Shopping Value;
CI=Consumer Involvement.

Figures corresponding to independent variables are standardized regression coefficients.

Figure 5.3 Moderating Effect of Consumer Involvement (CI) on the Relationship between Utilitarian Shopping Value (USV) and Satisfaction (SAT)



5.5 Summary of Results

A summary of the hypotheses testing results is presented in Table 5.10. Four out of seven proposed hypotheses received statistical support from the data analysis. The results revealed that higher utilitarian and hedonic shopping values will evoke higher levels of overall satisfaction, which in turn will lead to greater loyalty. Thus, overall satisfaction is a full mediator between the two types of shopping values and loyalty. It is also noteworthy that consumer involvement plays a significantly negative moderating role in the positive relationship between utilitarian shopping value and satisfaction. However, unlike the proposed Hypothesis 4b, consumer involvement has no significant moderating effect on the positive association between hedonic shopping value and satisfaction. These results will be further interpreted in the next chapter.

Table 5.10 Summary of Hypotheses Results

Hypotheses	Results	Tables/ Figures
H1a Higher utilitarian shopping value will generate greater customer loyalty.	Not supported	Figure 5.2 Table 5.7
H1b Higher hedonic shopping value will generate greater customer loyalty.	Not supported	
H2a Higher utilitarian shopping value will generate higher level of overall satisfaction.	Supported	Figure 5.2 Table 5.7
H2b Higher hedonic shopping value will generate higher level of overall satisfaction.	Supported	
H3 Higher level of overall satisfaction towards the C2C platform will lead to greater customer loyalty towards it.	Supported	Figure 5.2 Table 5.7
H4a For customers who are less involved in online shopping, utilitarian shopping value will generate higher level of satisfaction than for those who are more involved.	Supported	Table 5.9
H4b For customers who are more involved in online shopping, hedonic shopping value will generate higher level of satisfaction than for those who are less involved.	Not supported	

CHAPTER 6 DISCUSSION

In this chapter, the results of hypotheses testing are further interpreted. The statistical findings show that both utilitarian and hedonic shopping values are important determinants of two marketing outcomes (satisfaction and loyalty) and provide support for the moderating effect of consumer involvement in the relationship between utilitarian shopping value and satisfaction in the Chinese online C2C market.

6.1 Effects of Online Shopping Values on Satisfaction

This study found that utilitarian shopping value had a significantly positive effect on consumer satisfaction ($\gamma_{2,1} = 0.27, p < .01$). Consistent results were also reported in previous studies (Babin, Darden, and Griffin 1994; Jones, Reynolds, and Arnold 2006; Childers et al. 2001; Szymanski and Hise 2000; Ribbink et al. 2004). Utilitarian shopping value refers to the functional, task-oriented, and efficient aspects of online shopping. These elements are fundamental criteria in assessing e-service providers' capability. They are also crucial factors in generating consumer satisfaction (Bauer, Falk, and Hammerschmidt 2006). Generally, if e-consumers can find the information or items they need easily, they can promptly receive support from the online company when encountering problems, and they can successfully achieve their shopping goals, they will derive satisfaction from the outcomes of the shopping event. In contrast, if the online company cannot deliver these utilitarian shopping values, customers will feel dissatisfied with its performance. The findings of the present study confirm the positive relationship between utilitarian shopping value and satisfaction using the sample collected from the Chinese online C2C market.

Hedonic shopping value was also found to have a significantly positive effect on consumer satisfaction ($\gamma_{2,2} = .49, p < .01$). This result helps confirm previous empirical findings in retail research (Babin, Darden, and Griffin 1994; Jones, Reynolds, and Arnold 2006; Bauer, Falk, and Hammerschmidt 2006; Arnold and Reynolds 2003). Hedonic shopping value is related to the emotional, enjoyable, and entertaining aspects of shopping and reflects the value of shopping for its own sake (Hirschman and Holbrook 1982; Babin, Darden, and Griffin 1994).

The roles of hedonic shopping elements have been widely discussed in offline retail settings. Studies in environmental psychology indicate that the emotional response aroused by a physical store atmosphere is a key driver of satisfaction (Bitner 1990; Li, Daugherty, and Biocca 2001). In offline shopping malls, customers can personally experience products or ambient elements on a multisensory basis (Alba et al., 1997; Rosen and Howard 2000). The multisensory perceptions of tastes, sounds, scents, tactile stimuli, and visual images combine to form an important source of hedonic consumption (Hirschman and Holbrook 1982). Some recent e-commerce research extends this notion to the online environment and suggests that a pleasant atmosphere of a website interface can evoke a positive mood and generate consumer satisfaction (Bauer, Falk, and Hammerschmidt 2006; Yun and Good 2007). The results of the present research confirm the importance of hedonic shopping value in the online environment and indicate that consumers can obtain potential entertainment and emotional rewards from online shopping, which in turn lead to consumer satisfaction.

The findings show, in particular, that hedonic shopping value has a stronger influence on consumer satisfaction than does utilitarian shopping value in the Chinese online C2C market. This result is consistent with Jones, Reynolds, and Arnold's (2006) research. One explanation for this finding is that consumer satisfaction is derived from not only a cognitive evaluation of a company's performance but also an affective response arising from the cognitive evaluation and related expectancy-disconfirmation processes (Oliver 2010). Hedonic shopping value is related to fun, playfulness, and enjoyment of online shopping (Hirschman and Holbrook 1982). People desire to maintain a consistency between these positive emotions and their satisfaction with a particular e-service provider (Gardner 1985), so hedonic shopping value is a crucial determinant of satisfaction and plays an even more important role in generating customer satisfaction than its utilitarian counterpart.

Another explanation for this finding is that consumer satisfaction is dependent, at least in part, on the context of consumption (Jones, Reynolds, and Arnold 2006). Shopping context is a hedonically valenced consumption context because it can offer consumers the opportunity to escape from the routine of daily life and consumers can derive excitement directly from the time spent on shopping (Tauber 1972; Levy and Weitz 2009; Jones, Reynolds, and Arnold 2006). In this context, consumer satisfaction is strongly affected by emotions experienced in the shopping process (Arnold and Reynolds 2003; Jones, Reynolds, and Arnold 2006; Dawson, Bloch, and Ridgway 1990), so it is reasonable to find that hedonic shopping value exhibits a stronger relationship with satisfaction than utilitarian shopping value.

6.2 Effect of Satisfaction on Loyalty

A number of online and offline empirical studies suggest that customer satisfaction has a significantly positive effect on loyalty (Anderson, Fornell, and Lehmann 1994; Mano and Oliver 1993; Anderson and Srinivasan 2003). The results of the present research add weight to this conclusion by establishing their strong and positive relationship in the Chinese online C2C research context ($\beta_{3,1}=.65$, $p<.01$). Customer satisfaction with the company incorporates customers' overall previous and most recent transactional experiences associated with various facets of the company (Jones and Suh 2000; Anderson, Fornell, and Lehmann 1994). It is more likely to be affected by transactional activities, rather than relational activities (Roest and Pieters 1997). Customer loyalty implies the commitment to rebuy or repatronize preferred products/services from a particular company and the favorable attitude towards the company, in comparison to other competitors (Oliver 2010). Satisfaction with a company based on cumulative transactions is a good basis for loyalty, although it does not guarantee loyalty. If customers feel satisfied with the performance of a particular company, they are more likely to repurchase from it in order to enhance future success and avoid consumption risks (Anderson and Srinivasan 2003; Szymanski and Hise 2000).

6.3 Mediating Effects of Satisfaction

This study found that utilitarian and hedonic shopping values did not affect loyalty directly ($\gamma_{1,1}=0.01$, n. s. ; $\gamma_{1,2}=0.09$, n. s., respectively), but their relationships are fully mediated by satisfaction. Therefore, the sequential flows from utilitarian and hedonic shopping values to loyalty through satisfaction suggest that these two types of shopping

values have only indirect effects on loyalty and thus loyalty exists only if there is customer satisfaction with the e-service provider.

The significant mediating effect of satisfaction has been shown in previous studies (Kim, Jin, and Swinney 2009; Jones, Reynolds, and Arnold 2006). Oliver (1999) demonstrated that satisfaction and loyalty are highly related but separate concepts and loyalty is largely, though not exclusively, satisfaction-driven. Satisfaction is not a necessary prerequisite for loyalty in that loyalty may result from limited budget, inaccessibility, social norms or a lack of choices (Morgan and Hunt 1994). However, the online environment is fiercely competitive and the cost of switching among different e-service providers is extremely low, so customer satisfaction with a particular e-service provider plays a crucial role in maintaining customer loyalty (Yang and Peterson 2004; Ribbink et al. 2004).

Utilitarian shopping value is described as a sense of the accomplishment and the efficiency of online shopping. Online shoppers who have efficiently accomplished their shopping tasks will evaluate the company's capability positively and in turn show a commitment to the company. Hedonic shopping value represents the potential entertainment and emotional rewards derived from online shopping experience. This aspect of shopping has been shown here to be a more important factor to drive customer satisfaction in the sense that positive emotional experience may be more closely tied to affective consumer outcomes, such as satisfaction. Perceived satisfaction then leads to customers' loyalty to the company.

6.4 Moderating Effects of Consumer Involvement

6.4.1 Moderating Effect of Involvement between Utilitarian Value and Satisfaction

The results supported the moderating effect of consumer involvement in the relationship between utilitarian shopping value and satisfaction ($\beta = -.141, p < .01$). The negative sign indicates that for customers who are less involved in online shopping, utilitarian shopping value will generate higher level of satisfaction than for those who are more involved. In accordance with Celsi and Olson (1988) and Dawson, Bloch, and Ridgway's (1990) research, more involved shoppers are more interested in the shopping activity and are more likely to seek fun and enjoyment in shopping experience (Wang et al. 2007; Wakefield and Baker 1998). In contrast, less involved shoppers prefer a less extensive decision-making processing. They desire to accomplish their shopping tasks in an efficient manner and with a minimum of irritation (Childers et al. 2001; Celsi and Olson 1988). Therefore, utilitarian shopping value, which concentrates on the functional and efficient aspects of shopping, makes less involved shoppers feel more satisfied.

The present research confirms this notion in the Chinese C2C e-commerce setting. The results indicate that the relationship between utilitarian shopping value and satisfaction varies with less involved and more involved customers. More involved customers are more interested in online shopping and demonstrate intrinsic motivation and emotional engagement to the online shopping activity (Wang et al. 2007). Less involved customers do not show much interest in online shopping and are more likely to behave as "problem solvers" rather than "enjoyment seekers" in the online shopping process. Therefore, less involved customers who tend to concentrate on the utility and efficiency of online

shopping will generate more satisfaction when obtaining utilitarian shopping value (e.g., smoothly completing their shopping tasks and solving their shopping problems) than more involved customers.

6.4.2 Moderating Effect of Involvement between Hedonic Value and Satisfaction

The results of the present study did not lend support to the hypothesis related to the moderating effect of consumer involvement in the relationship between hedonic shopping value and satisfaction ($\beta = .020$, n. s.). More involved customers do not differ from less involved customers in terms of their satisfaction with the hedonic aspect of online shopping.

Elliott and Speck (2005) found that consumer involvement is a moderator in the relations between hedonic website attributes and consumers' favorable attitude. In a study of web advertisements, Kim, Kim, and Park (2010) proposed that involvement moderates the positive relationship between perceived entertainment and consumers' attitude toward the website, but they don't find the significant moderating effect. The moderating effect of consumer involvement in the relationship between hedonic shopping value and satisfaction was found to be insignificant in this study. One explanation is that hedonic shopping value, as illustrated in previous research (Bauer, Falk, and Hammerschmidt 2006) and confirmed in the present research, is an important factor influencing consumers' satisfaction, regardless of the degree of consumer involvement. No matter whether consumers are involved in online shopping or not, fun, enjoyment, and playfulness of online shopping makes them feel satisfied.

CHAPTER 7 CONCLUSIONS

In this final chapter, the theoretical contributions and managerial implications derived from the research findings are presented followed by the limitations of this study and the suggestions for the directions of future research.

7.1 Implications of This Study**7.1.1 Theoretical Contributions**

Firstly, one objective of this study is to clarify the conceptualization of customer experience and examine it in an online shopping setting. Although many scholars and marketing practitioners emphasize the important role of customer experience, a commonly accepted definition has not been agreed due to many different proposals for conceptualizing this notion. The present research attempts to provide a comprehensive explanation of this concept in the online environment and so adds knowledge to the existing marketing literature.

Secondly, the experiential consumption perspective extends the traditional view of consumption as a reasoned action and recognizes the importance of key variables related to intangible and emotional features of this behavior (Holbrook and Hirschman 1982; Hirschman and Holbrook 1982). The literature in this area suggests that both hedonic and functional attributes should be included to understand consumption behavior fully. By applying this perspective to the Chinese C2C e-commerce setting, two online shopping values are explained and their consequences are examined.

In previous studies, researchers have achieved agreement on the importance of utilitarian shopping value, but they have expressed considerable disagreement on hedonic shopping value. Some scholars argue that when purchasing products or services online, consumers are typically function-oriented and show little hedonic motivation (Zeithaml, Parasuraman, and Malhotra 2002). Even if hedonic elements on websites can generate customer satisfaction, this situation is only relevant to entertainment-oriented websites, not retailing websites (Wolfenbarger and Gilly 2003). However, other scholars suggest that the hedonic elements on e-tailers' websites (e.g., vivid graphics, interactive games, or attractive advertisements) yield numerous positive retailing outcomes, such as satisfaction and loyalty (Bauer, Falk, and Hammerschmidt 2006). The results of this study provide the insights that both hedonic and utilitarian shopping values can generate a higher level of customer satisfaction, which is followed by greater loyalty. The findings also show that hedonic shopping value is a more crucial contributor to satisfaction than its utilitarian counterpart. This research extends previous research by providing support for a significant and strong relationship between hedonic shopping value and satisfaction in the Chinese online C2C market. This suggests that the impact of hedonic shopping value should not be ignored in future online studies. In addition, this study shows that satisfaction is a full mediator between hedonic and utilitarian shopping values and loyalty. The current research finding confirms the important role of satisfaction in the online shopping setting and indicates that loyalty exists only if customers feel satisfied with the performance of e-service providers.

Finally, the consumer involvement theory regards consumer behavior as a two-fold dichotomy: low involvement consumer behavior and high involvement consumer behavior (Engel and Blackwell 1982; Laurent and Kapferer 1985). Involvement is an unobservable state of motivation, arousal, and interest. It is evoked by a particular stimulus or situation and has drive properties (Rothschild 1984). It is determined by internal factors of different individuals, such as their inherent needs, interests, or values. Consumers' reactions to marketing stimuli vary with their different levels of involvement (Laurent and Kapferer 1985). The results of this study support the moderating effect of consumer involvement on the relationship between utilitarian shopping value and satisfaction. The findings indicate that for customers who are less involved in online shopping, utilitarian shopping value generates a higher level of satisfaction than for those who are more involved. The identification of the moderating effect extends the existing consumer involvement literature and confirms that different levels of consumer involvement influence the relationship between utilitarian shopping value and customer satisfaction. In addition, the present study shows that consumer involvement has no significant moderating effect on the relationship between hedonic shopping value and satisfaction. Irrespective of the levels of consumer involvement in online shopping, hedonic shopping value has a strongly positive effect on customer satisfaction. Whether the conclusion can be generalized, or whether it is simply a manifestation of a particular set of customers under a particular online shopping setting remains to be examined in future research.

7.1.2 Managerial Implications

While previous research focuses on the utilitarian aspect of online shopping, this study finds support for the significant relationships between both utilitarian and hedonic shopping values and satisfaction. These results suggest that when devising a strategy on customer experience, e-service providers should put emphasis on both utilitarian and hedonic components. On one hand, they should advance the instrumental features of their websites (e.g., the amount of product/service information, convenience, navigation, and responsiveness). They need to make the whole shopping process smooth and efficient. On the other hand, they should make their website enjoyable and playful. The hedonic elements on their websites (e.g., vivid graphics, music, enjoyable activities, and interactive games) can offer customers emotional rewards and in turn generate satisfaction and loyalty. It is valuable for e-service providers to devote resources to creating compelling shopping experience to their current and potential customers.

Knowledge of distinct shopper segments is useful for e-service providers in constructing effective marketing communication strategies and designing compelling shopping experience. Consumer involvement is a tool for segmenting consumer markets (Traylor and Joseph 1984; Quester and Smart 1998). Involvement is regarded as a motivational status and can exert a considerable influence over a consumer's decision-making process (Quester and Smart 1998). Consumer behavior analyses based on a high-low categorization of consumer involvement can assist companies in understanding their customers' shopping preferences and offering them tailored services. The findings of this study show that utilitarian shopping value makes less involved customers feel more

satisfied than more involved customers. If an e-service provider finds that a large segment of its regular customers are less involved customers, it could devote more resources to advance its functional performance (e.g., efficiency, navigation, personalization, and product/service information).

The present study did not find a significant moderating effect of consumer involvement in the relationship between hedonic shopping value and satisfaction. This means that hedonic shopping value has a substantial impact on customer satisfaction for both highly involved customers and less involved customers. This finding suggests that e-service providers should offer hedonic shopping value to all of their customers, regardless of their involvement in online shopping. Marketing managers who are knowledgeable of the preference of high and low involvement consumers are more likely to offer tailored service to their customers and gain advantages over their competitors.

Normally, involvement is consumers' intrinsic motivation state and thus it is difficult for retailers to distinct highly involved customers and less involved customers. However, an online C2C platform is like a "walk-through audit" or "hidden camera", which can record amount of visitors' behavior (numbers of visits, numbers of clicks, time spent on every webpage, every input to the website) in the whole shopping process (Berry, Carbone, and Haeckel 2002). Highly involved customers desire to spend more time and search for more information (Bloch, Sherrell, and Ridgway 1986). They are more likely to revisit the website and generate more thoughts about information on the website (Elliott and Speck 2005). Based on the online C2C platform, e-service providers can

collect actual and precise information related to customers' online behavior and make use of these data to identify different types of consumers. Tailored shopping experience can then be created to satisfy different consumers' preferences.

7.2 Limitations of This Study

Due to the single Chinese online C2C platform (i.e., Taobao.com) studied, caution should be exercised in attempting to generalize the current research findings. This research tested empirically the experiential consumption theory and the consumer involvement theory in the Chinese online C2C market. However, customer experience is strictly individual and varies with time and situation. Whether the current results are applicable to other online shopper groups in other contexts deserves future research effort. In particular, owing to the common characteristics of online businesses, the current conceptual framework is proposed to be applicable to the B2C e-commerce setting. It would be worthwhile to examine the effects of online shopping experience using samples collected from B2C e-commerce sources.

This study utilized the "extrapolation" method of Armstrong and Overton (1977) to test non-response bias. This method is based on the concept that early respondents were similar to respondents and late respondents were similar to non-respondents. However, there is no consistent or standardized operational definition of "late respondent". One technique to operationally define late respondents is to concentrate on the later 50% of the respondents (Lindner, Murphy, and Briers 2001). However, this technique does not actually cover the people who do not respond to the survey. It would be valuable to

sample those non-respondents, get their responses and then compare their responses with previous respondents. This protocol and procedure can better address non-response issue.

This study develops a general model based on two values derived from online shopping experience. It did not investigate how characteristics of various product categories influence customers' evaluations of hedonic and utilitarian aspects of online shopping. In e-commerce setting, some online shoppers prefer to browse and purchase product categories with hedonic attributes (e.g., perfume, jewelry, and cosmetics). These shoppers are more likely to seek hedonic value derived from online shopping experience (Hirschman and Holbrook 1982). Other online shoppers pay more attention to product categories with utilitarian attributes (e.g., detergent, food, and electronic products). They are more likely to be influenced by the utilitarian aspect of online shopping. The impact of hedonic/utilitarian product categories on customers' preference for different online shopping experiences deserves further research effort.

The findings of this research did not show a significant moderating effect of consumer involvement on the relationship between hedonic shopping value and satisfaction. One possible reason for this result is that the sample in this study seems to have a generally high level of hedonic shopping value and consumer involvement. The sample profile shows that 90% of the respondents were under 30 years and 60.6% were female. Younger and female shoppers are more likely to seek hedonic value in the shopping process (Hirschman and Holbrook 1982; Chang, Burns, and Francis 2004). Therefore, it is not surprising to find that the mean score of hedonic shopping value (HSV) was above

the mid-point 3.5. Furthermore, younger and female individuals are more involved in online shopping (CNNIC 2011), so the mean score of consumer involvement (CI) was also above the mid-point 3.5. The demographic characteristics of the respondents is one of the reasons why the constructs of hedonic shopping value (HSV) and consumer Involvement (CI) were highly correlated and the interaction term HSV* CI was not significant. To further explore the moderating effect of consumer involvement, more demographically diversified samples should be examined.

Due to the constraints of budget and time, the present study is based on a cross-sectional survey which is carried out once and represents a snapshot of a specific point in time (Blumberg, Cooper, and Schindler 2005). Cross-sectional research design only allows an understanding of directional relationships among the constructs. Causal inferences between two or more constructs cannot be drawn from cross-sectional data (Hair et al. 2006). It would be beneficial to use an experimental design to investigate causal-and-effect relationships developed in this study. Controlling and/or manipulating different stimuli on a website interface and testing participants' spontaneous responses and behavioral intention would be a more effective way to examine online shopping experience and its possible consequences.

7.3 Directions for Future Research

This study examined only two consequences of online shopping values, namely, satisfaction and loyalty and found the theoretically expected outcomes and the full mediating effect of satisfaction. Future studies can examine whether and how online

shopping values might influence other customer outcomes or evaluations, such as perception of price, preference, trust, and word of mouth. In particular, a range of offline retail research suggests that hedonic shopping value may associate with specific shopping behaviors, such as impulse purchasing and compulsive shopping. Impulse purchasing is the degree to which an individual is likely to make unintended, immediate, and unreflective purchases (Arnold and Reynolds 2003). This consumption behavior provides strategic value for retailers. However, whether the relationship between hedonic shopping value and impulse purchasing is still obtained in the online setting is not clear. Compulsive shopping is related to shoppers who carry out shopping activities in pursuit of gratification rather than functional utility. This consumption behavior is triggered by “an uncontrollable drive or desire to obtain, use or experience a feeling, substance, or activity that leads an individual to repetitively engage in a behavior that will ultimately cause harm to the individual and/or to others”(O’Guinn and Faber 1989 p.148). Future studies could usefully investigate whether the hedonic factors of online shopping influence compulsive shopping behavior.

This study investigated the moderating effect of one individual difference variable - consumer involvement. Future studies could profitably explore other moderating effects on online shoppers’ behavior, such as gender. The influences of different shopping values may vary with regard to gender. In offline retail research, men are more likely to be “problem solvers” and focus on utilitarian shopping value, while women are more likely to be “enjoyment seekers” and seek hedonic shopping value. However, in the online setting some research has shown that men express a great interest in enjoying

various technologies (e.g., interactive games and attractive competition activities) in the shopping process (Burke 2002; Li et al. 1999). Whether gender moderates the relations between the two types of online shopping values and customer outcomes presents a fascinating area for further research.

APPENDIX 1A: POST (ENGLISH VERSION)



Survey of Online Shopping Experience

Dear sir or madam:

This is an online survey conducted by the Department of Management and Marketing, The Hong Kong Polytechnic University. The aim of this survey is to gain a better understanding of the consumers' shopping experience in the Chinese online C2C market. The findings will provide new insights for the C2C platforms to improve their services.

We would highly appreciate if you can spend 10 to 15 minutes to complete this questionnaire. Your response is very important to our study. As a participant, you can gain ¥10 "Zhifubao" electronic cash coupon. Please be assured that all information you provide will be kept strictly confidential. All data are collected only for statistical analysis and reported in summary form. Please answer all of the questions and complete this questionnaire within 4 weeks.

You can click on the following link to start the online survey now:

http://qtrial.qualtrics.com/SE/?SID=SV_2fsDt9aOQaqBL3C

Should you have any questions regarding this survey or our research, please do not hesitate to contact us.

Yours sincerely,

LIU

Department of Management and Marketing

The Hong Kong Polytechnic University

Tel: (+852)2766

E-mail: [ella.liu@](mailto:ella.liu@polyu.edu.hk)

Thank you very much for your kind co-operation and support in advance!

APPENDIX 1B: POST (CHINESE VERSION)



网上购物体验调查

亲爱的淘宝淘友：

您好！我们是香港理工大学管理及市场学系的研究人员，我们正在开展一项有关消费者网上购物体验的在线调查。本调查旨在研究消费者在C2C电子商务市场中的购物体验。研究结果将为国内C2C网购平台改善客户服务提供依据。

我们衷心地希望您能够在百忙当中抽出10到15分钟时间完成本问卷。您的参与对我们的研究至关重要。每位参与者都将获赠价值**10元**人民币的“支付宝”电子现金券。您提供的**所有信息皆为匿名收集并将严格保密**。答卷资料仅用于综合统计分析，不涉及单独个案处理。请您回答所有问题并于四周之内完成本次在线调查。

请您点击以下链接开始填写在线问卷：

http://qtrial.qualtrics.com/SE/?SID=SV_2fsDt9aOQaqBL3C

如果您对本次调查有任何疑问和建议，请通过以下方式联系我们。

联系人：刘小姐

香港理工大学管理及市场学系

电话：(+852) 2766

电子邮件：[ella.liu@](mailto:ella.liu@polyu.edu.hk)

感谢您的支持与合作！

APPENDIX 2A: ONLINE QUESTIONNAIRE (ENGLISH VERSION)



Survey of Online Shopping Experience

Dear sir or madam:

Thank you very much for responding to this online survey. The purpose of this survey is to examine consumers' shopping experiences in the Chinese online C2C market. We would highly appreciate if you can spend 10 to 15 minutes to complete this questionnaire. Your response is very important to our study. As a participant, you can gain ¥10 "Zhifubao" electronic cash coupon. Please be assured that all information you provide will be kept strictly confidential. All data are collected only for statistical analysis and reported in summary form.

The whole questionnaire comprises six sections and the instruction is provided at the beginning of each section. Please answer all of the questions and complete this questionnaire within 4 weeks.

Should you have any questions regarding this survey, please do not hesitate to contact us.

Yours sincerely,

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Next



Q1. When was your most recent shopping experience in "Taobao.com" ? Please click on the most appropriate answer.

- Within one week
 Within one month
 Within two months
 Within three months
 More than three months

Q2. How many times did you patronize "Taobao.com" in the past three months? Please click on the most appropriate answer.

- Once
 2-5 times
 6-10 times
 11-15 times
 16-20 times
 more than 20 times

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Section One: Hedonic Shopping Value

The following statements describe your hedonic value from shopping experiences (fun and enjoyment) in Taobao.com. Based on your previous experiences, to what extent do you agree or disagree with each statement? Please click on the most appropriate answer on each row.

	Strongly Disagree	Slightly Disagree	Neutral	Slightly Agree	Strongly Agree
Q3. The shopping experience on Taobao.com was truly a joy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q4. Compared to other things I could have done, the time spent shopping on Taobao.com was truly enjoyable.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q5. I enjoyed being immersed in exciting new information on Taobao.com.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q6. I enjoyed the shopping experience on Taobao.com for its own sake, not just for the items I may have purchased.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q7. While shopping on Taobao.com, I felt the excitement of the hunt.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q8. While shopping on Taobao.com, I felt a sense of adventure.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q9. The shopping experience on Taobao.com was a very nice time out.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Section Two: Utilitarian Shopping Value

The following statements describe your utilitarian value from shopping experiences (efficiency and functionality) in Taobao.com. Based on your previous experiences, to what extent do you agree or disagree with each statement? Please click on the most appropriate answer on each row.

	Strongly Disagree	Slightly Disagree	Neutral	Slightly Agree	Strongly Agree
Q10. I could accomplish my shopping tasks in Taobao.com promptly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q11. While shopping in Taobao.com, I found what I was looking for easily.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q12. I felt that Taobao.com was efficient.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q13. Taobao.com could immediately help me address the problems during my shopping process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

0%  100%

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Section Three: Consumer Involvement

The following ten adjectives represent your involvement with online shopping. They describe your perceived importance and personal relevance of “online shopping”. Please note that the two adjectives on the same row have opposite meanings. The seven spaces between them indicate the degree in which you are involved in online shopping (for example, the seven spaces on the first row represent strongly unimportant, unimportant, slightly unimportant, neutral, slightly important, important, strongly important, respectively). Please click on the most appropriate answer on each row.

To me online shopping is:

Q14. Unimportant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Q14. Important
Q15. Of no concern	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Q15. Of concern to me
Q16. Irrelevant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Q16. Relevant
Q17. Means nothing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Q17. Means a lot
Q18. Nonessential	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Q18. Essential
Q19. Worthless	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Q19. Valuable
Q20. Trivial	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Q20. Fundamental
Q21. Not beneficial	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Q21. Beneficial
Q22. Doesn't matter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Q22. Matters to me
Q23. Insignificant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Q23. Significant

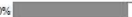
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Section Four: Consumer Satisfaction

The following statements describe your overall satisfaction with the performance of "Taobao.com". Based on you previous experiences, to what extent do you agree or disagree with each statement? Please click the most appropriate answer on each row.

	Strongly Disagree	Slightly Disagree	Neutral	Slightly Agree	Strongly Agree
Q24.I am satisfied with my decision to use Taobao.com.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q25.My choice to use Taobao.com was a wise one.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q26.I am pleased with the experience of using Taobao.com.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q27.I am delighted with the experience of using Taobao.com.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q28.My feelings about using Taobao.com were good.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Section Five: Customer Loyalty

The following statements describe your loyalty toward Taobao.com and to what extent do your agree or disagree with each statement? Please click on the most appropriate answer on each row.

	Strongly Disagree	Slightly Disagree	Neutral	Slightly Agree	Strongly Agree
Q29.I seldom consider switching to another C2C platform.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q30.I try to use Taobao.com whenever I need to make a purchase online.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q31.When I need to make a purchase online, Taobao.com is my first choice.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q32.I like using Taobao.com.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q33.To me Taobao.com is the best C2C platform to do business with.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q34.I believe that Taobao.com is my favorite C2C platform.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Section Six: Personal Information

Please click or input the most appropriate answer.

Q35. Your gender :

- Male Female

Q36. Your age (in years) :

- Below 18 18-24 25-29 30-34 35-39 40 or above

Q37. The highest level of formal education you have completed :

- High school or below College Diploma Undergraduate Master PHD
 Others (Please specify)

Q38. Your marital status:

- Single Married Divorced /Separated No say

Q39. Your monthly salary (RMB) :

- Less than 1000 1000-2000 2001-3000 3001-4000 4001-5000 5001-6000
 6001-7000 More than 7000

Q40. Your occupation :

Q41.

Your e-mail address :

(Every participant who completed the whole questionnaire will be offered ¥10 “Zhifubao” electronic cash coupon through e-mail.)

~End~

Thank you very much for your kind co-operation and support!

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APPENDIX 2B: ONLINE QUESTIONNAIRE (CHINESE VERSION)



Department of
MANAGEMENT
& **MARKETING**
管理及市場學系

网上购物体验调查

亲爱的淘宝淘友：

非常感谢您参与本次在线调查！

本调查旨在研究消费者在中国C2C电子商务市场中的购物体验。我们衷心地希望您能够在百忙当中抽出10到15分钟完成本问卷。您的答复对我们的研究至关重要。每位参与者都将获赠价值10元人民币的“支付宝”电子现金卷。您提供的所有信息皆为匿名收集并将严格保密。答卷资料仅用于综合统计分析，不涉及单独个案处理。

整个问卷包括六个部分，每部分的开头都有相关的指示说明。请您回答所有问题并于四周之内提交在线问卷。

如果您对本次调查有任何疑问和建议，请通过以下方式与我们联系。

联系人: 刘小姐

香港理工大学管理及市场学系

电话：(+852) 2766

电子邮件：ella.liu@

感谢您的支持与合作！

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前进



Q1. 请问您最近一次在“淘宝网”上购物是什么时候？(请点击您认为最恰当的一个选项)。

- 一周之内
 一个月之内
 两个月之内
 三个月之内
 三个月以上

Q2. 请问您在过去的三个月中有多少次在“淘宝网”购物的经历？(请点击您认为最恰当的一个选项)。

- 没有
 1次
 2-5次
 6-10次
 11-15次
 16-20次
 20次以上

0%  100%

后退

前进

第一部分 享乐性消费价值

以下是有关您在“淘宝网”购物的享乐性消费价值（快乐和愉悦）的描述。根据您的以往的购物经历，请在每行点击您认为最恰当的一个选项反映您对各项描述的同意程度。

	完全不同意	不同意	有点不同意	中立或无意见	有点同意	同意	完全同意
Q3. 我在“淘宝网”购物的经历确实是一种乐趣。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q4. 与做其他的事情相比，我花费在“淘宝网”购物的时间确实令我感到愉快。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q5. 我喜欢沉浸在“淘宝网”上的新产品信息所激发的兴奋中。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q6. 我在“淘宝网”购物不仅仅是为了得到所需要的服务，而更是享受这一购物体验本身所带来的乐趣。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q7. 在“淘宝网”购物的时候，我体会到了猎奇的快感。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q8. 在“淘宝网”购物的时候，我感到了冒险刺激。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q9. 我在“淘宝网”购物确实是一种美好的体验。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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后退

前进



第二部分 功利性消费价值

以下是有关您在“淘宝网”购物的功利性消费价值(效率和功能性)的描述。根据您以往的购物经历,请在每行点击您认为最恰当的一个选项反映您对各项描述的同同意程度。

	完全不同意	不同意	有点不同意	中立或无意见	有点同意	同意	完全同意
Q10. 在购物的旅程中,我迅速完成了要做的事情。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q11. 我认为“淘宝网”很有效率。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q12. 我进出“淘宝网”基本上不浪费时间。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q13. “淘宝网”可以立刻帮我解决在购物中所遇到的问题。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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第三部分 消费者投入度

以下十组形容词是有关于您对“网上购物”投入程度的描述。他们是指“网上购物”这项活动对您来讲的重要性和与您个人的相关程度。请注意同一行的两个形容词意义相反。这两个形容词之间的七个选项代表您对“网上购物”不同程度的投入(例如,第一行的七个选项分别代表非常不重要,不重要,有点不重要,中立,有点重要,重要,非常重要)。请在每行点击您认为最恰当的一个选项。

Q14. 不重要的	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	重要的
Q15. 不在乎的	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	在乎的
Q16. 与我不相关的	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	与我相关的
Q17. 没有意义的	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	意义非凡的
Q18. 不必要的	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	必要的
Q19. 没有价值的	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	有价值的
Q20. 微不足道的	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	紧关节要的
Q21. 没有利益的	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	有利益的
Q22. 与我无关的	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	与我有关的
Q23. 没有意义的	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	意义重大的


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后退 前进

第四部分 顾客满意

以下是有关您对“淘宝网”的总体满意度的描述。根据您以往的购物经历，请在每行点击您认为最恰当的一个选项反映您对各项描述的同意程度。

	完全不同意	不同意	有点不同意	中立或无意见	有点同意	同意	完全同意
Q24.我对自己做出选用“淘宝网”的决定感到满意。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q25.我选用“淘宝网”是明智之举。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q26.使用“淘宝网”的经历让我感到高兴。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q27.使用“淘宝网”的经历让我感到欣喜。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q28.我使用“淘宝网”购物的感觉很好。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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第五部分 顾客忠诚

以下是有关您对“淘宝网”忠诚度的描述。请在每行点击您认为最恰当的一个选项反映您对各项描述的同意程度。

	完全不同意	不同意	有点不同意	中立或无意见	有点同意	同意	完全同意
Q29.我很少会考虑转换到“淘宝网”以外的其它C2C网购平台。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q30.当我需要在网上购物的时候，我会想到使用“淘宝网”。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q31.当我需要在网上购物的时候，我会首选“淘宝网”。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q32.我喜欢使用“淘宝网”。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q33.对我而言，“淘宝网”是最好的C2C网购平台。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Q34.我相信“淘宝网”是我最喜欢的C2C网购平台。	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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第六部分 个人资料

请点击或填写您认为最适合的答案。

Q35. 您的性别：

- 男 女

Q36. 您的年龄：

- 18岁以下 18-24岁 25-29岁 30-34岁 35-39岁 40岁以上

Q37. 您的教育程度：

- 高中及以下 大专 大学本科 硕士 博士
 其它（请注明）

Q38. 您的婚姻状况：

- 单身 已婚 离异/分居 保密

Q39. 您的平均月收入：

- 1000元以下 1000-2000元 2001-3000元 3001-4000元 4001-5000元
 5001-6000元 6001-7000元 7000元以上

Q40. 您的工作性质：

Q41.

您的e-mail地址：

（完整填写问卷的参与者即将通过电邮获赠价值10元人民币的“支付宝”电子现金卷。）

~本次调查结束~

再次感谢您的支持与合作！

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后退 前进

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