The stickiness intention of group-buying websites: The integration of the commitment–trust theory and e-commerce success model

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ABSTRACT

The success of consumer-to-business (C2B) group-buying websites (GBWs) relies heavily on consumers' relationships with the GBWs, a topic not yet adequately investigated in the existing literature. In addition, there is a transition from the technical and/or transactional views in e-commerce studies to a relational view. However, such studies have focused on business-to-consumer contexts. By integrating the e-commerce success model and commitment–trust theory, we developed a model of GBW stickiness, which is examined using data collected from 280 GBW users. The results indicated that relationship commitment, trust, and satisfaction were key determinants of stickiness intention. Theoretical and practical implications are also discussed.

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1. Introduction

Online group buying is considered to be a unique, innovative, and particularly interesting online consumer-to-business (C2B) business model because it enables buyers to obtain volume discounts and helps sellers to effectively sell a considerable number of items [57–59]. The main idea of this business model to is to recruit enough people with the same needs to generate a sufficient volume of orders to create the leverage required to acquire a lower transaction price [57]. In the late 1990s, Mobshop (originally known as Accompany.com) and Mercata.com were the first two group-buying websites (GBWs), and these companies and some others GBWs were able to attract a large amount of venture capital funding [57]. Unfortunately, these companies soon went out of business in the early 2000s for various reasons, including rapid expansion, fierce competition, and an inability to articulate promising revenue models [13]. Surprisingly, group-buying businesses have been trying to make a comeback in recent years [58], and the number of GBWs is rapidly increasing around the globe, particularly in East Asia [57]. Recent statistics indicate that by 2015, revenue for the online group-buying market will reach 4.17 billion dollars in the United States. Managers of many commercial websites have taken efforts into developing their own group-buying business models by providing group-buying functions on their websites (such as Yahoo!) or by merging with foreign group-buying websites to pursue foreign markets (such as Groupon's merger with Atlaspost.com to enter the Asian online group-buying market) [16]. These developments suggest that although this business model has not yet proven to be a long-term success, it appears to have a bright future.

However, as the size of the online group-buying market continues to grow, the accompanying competition has made it increasingly difficult for GBWs to retain their customers [16]. Some statistics indicate that in the first quarter of 2012, >70% (approximately 4000) of the GBWs in China went out of business or switched to other online business models because of consumer dissatisfaction and difficulties in building consumer loyalty. Online group-buying activities tend to face risk- and trust-related issues that significantly affect online consumers' participation intention to and that are not present in other online retailing mechanisms [58]. For example, compared to other online transaction mechanisms, consumers of online group-buying activities are more uncertain about the final purchasing price or whether the group-buying initiatives will succeed because an insufficient number of group-buying participants may lead to a relatively higher

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purchasing price or even a failed group-buying initiative. Participants may also suffer from financial losses because of the incompetence of the online group-buying intermediaries in preventing deceitful behaviors. Consequently, the risk and trust issues related to online group buying deserve close examination from a relational perspective.

Despite the practical relevance outlined earlier, the findings of the extent information system (IS) literature are insufficient in terms of offering a holistic theoretical ground for understanding consumer intentions regarding the use of GBWs. While electronic commerce (e-commerce) professionals find it increasingly difficult to motivate online consumers to stick to a specific website, significant efforts have been made to evaluate the success of e-commerce websites from technical/IS and/or transactional perspectives [80,109,117]. The technical/IS view, which is also referred to as the socio-technical view, presumes that issues related to the user adoption of IS/websites are to be investigated by primarily considering how the design and use of IS/websites can fit with organizational objectives by being an integral part of organizational communication, cooperation, and operational arrangement mechanisms (i.e., the social/organizational role of IS) [50]. In addition, Petter et al. [94] indicate that considerations related to consumer benefits (i.e., the transactional view) and consumer use of e-commerce systems (i.e., the technical view) are essential in assessing the success of IS in various contexts.

However, in addition to the technical perspective, there has been a transition from a transactional view, which emphasizes the post-purchase satisfaction paradigm, to a relational view, which emphasizes the importance of social and psychological factors (e.g., trust and commitment), in studies of the interactions between online consumers and e-commerce websites [72]. Satisfaction alone may not always guarantee repatronage or the continued use of an e-commerce website [57,93]. When consumers have convenient access to alternative online vendors that have features that are similar to or indistinguishable from their original online vendors, satisfaction may not be enough to prevent these consumers from switching to these alternatives [72]. Consequently, the formation of a relational bond is critical to discouraging the switching behaviors of online consumers [16]. Moreover, Zhou et al. [119] argue that satisfaction (i.e., a transactional factor) is backward-looking and more transitory than commitment and reflects a response to day-to-day events and contextual changes. By contrast, commitment (i.e., a relational factor) is forward-looking and more enduring over time in influencing individuals' behavioral intentions, free from the influences of short-term changes in situational elements. To sum up, while the transactional view focuses on the one-time provision of various benefits and favorable experiences to online consumers during the interactions they have with e-vendors/websites, the relational view primarily emphasizes the development and maintenance of sustainable and favorable relationships between online consumers and e-vendors/websites through personalized social and psychological exchanges [72,102].

Commitment–trust theory [86] enables researchers to consider the formation and the effects of the relational bond between two exchange parties by proposing relationship commitment and trust as key factors that influence the consumers' attitudes toward a particular business. Commitment–trust theory has drawn the attention of e-commerce researchers [53,72,87,106]. However, e-commerce studies that adopt the relational view primarily focus on business-to-consumer (B2C) or business-to-business (B2B) contexts and emphasize the effects of trust on consumer behaviors [2,62,103]. Few studies focus on C2B contexts such as consumer-initiated online group-buying transactions [16,63,104], particularly from the perspective of relationship commitments among the various parties. Consequently, the interesting and important issue

of why some GBWs fail while others survive deserves to be investigated by specific research efforts using theoretical analysis [15]. With that motivation, this study aims to address the following research question (RQ):

RQ: What factors affect online consumers' intention to stick with a specific GBW for participating in online group-buying activities?

To answer this question, the primary purposes of this study are thus twofold. First, the transition from the technical and/or transactional views to a relational view indicates that the key to the success of e-commerce websites lies not only in customer satisfaction, but also in the relational attachments of online customers to these websites. Consequently, this study develops a theoretical model to evaluate the success of e-commerce websites by integrating the technical, transactional, and relational views using the commitment–trust theory [86] and e-commerce success model [109] as the theoretical basis. In addition to the emphasis on the importance of relationship commitment and trust in predicting volitional user behavior of online services, the proposed set of antecedents (e.g., cost-, benefit-, and value-related factors) of commitment–trust theory implicitly incorporates the notion of the transactional view. This makes the commitment–trust theory appropriate as it complements the transactional view from a relational marketing perspective. Besides, the e-commerce success model, by integrating the technical/IS and transactional views, depicts individuals' perceptions regarding their interactions with the IS/websites, which resemble their evaluation of their relationships with the IS/websites. This feature makes the e-commerce success model an important theoretical base for this study in terms of integrating the technical, transactional, and relational views by complementing the insufficiency of the commitment–trust theory in terms of capturing the antecedents of commitment and trust that are associated with online business contexts. Second, relatively few studies have empirically examined issues related to customer retention in online C2B contexts. Consequently, this study empirically examines the proposed model in the context of online group-buying activities via GBWs.

This study contributes to both emerging online group-buying literature and general e-commerce literature in a number of ways. First, to the best of our knowledge, this study is among the first to provide an integrated theoretical insights into understanding online consumers' stickiness intention regarding GBWs by incorporating antecedent and intervening factors that are critical to the online group-buying context from technical, transactional, and relational perspectives. Second, while the e-commerce success model has been frequently applied to studies of post-purchase adoption in various e-commerce contexts [20,105,109], our findings contribute to this model by adopting and validating it in the online group-buying (C2B) context. Finally, although the commitment–trust theory has been partially applied to e-commerce studies [62,72,87,103,106], this study applied it to simultaneously investigate the effects of relationship commitment and trust on consumers' intention regarding the use of GBWs, thus extending its applicability.

2. Theoretical background

2.1. Online group buying

The core concept of online group buying is gathering a group of consumers with the same needs and then leveraging their collective bargaining power to lower the prices for the products or services of interest [57]. The bargaining power thus grows with the number of consumers in a group. Demand aggregation and volume discounting are thus the key features of this business model [3]. The primary value proposition of online group buying to consumers is making a deal at a lower price by connecting and