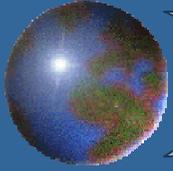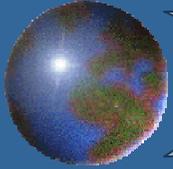# *Maintaining a Committed Online Customer: A Study Across Search-Experience-Credence Products*

Journal of Retailing (2005)

中央大學資管系 謝依靜

What contributes a good research?

Three minimum criteria (Journal of Marketing)

- Make a contribution to the science and practice of marketing.
    - It must provide new insights, new ideas, and/or new empirical results
- Be based on sound evidence--literature review, theory and/or empirical research.
    - The article will be more theory based, more literature based, and/or more rigorously empirical

- Be valuable to marketing academicians and/or practitioners.
    - the information must be considered new, insightful, and important by the marketing educators and/or marketing practitioners
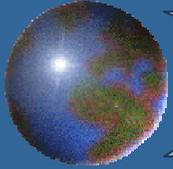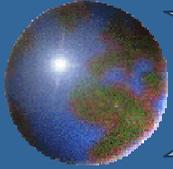
Criteria: what contributes a good research

- A-ha– Big, interesting ideas
- Theoretical relevance and novelty
  - 一定要與理論有關、且要有新的contribution
- Rigor
- Good writing
- Length to contribution ratio
- Managerial and practical implications
 - So what, 對學術與實務到底有何價值
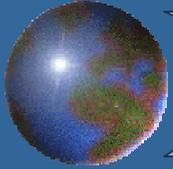
Introduction

- It is very important to do a good positioning for your article .
 - Different
  - Important (contribution)

Contributions

- Contribution is the most important (Journal of Marketing)
  - Demonstrate new techniques for solutions to marketing problems.
  - Review those trends and developments by reporting research
  - Contribute generalizable, validated findings.
  - Present new ideas, theories, and illustrations of marketing thought and practice
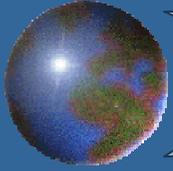
New topic?

- What are the possible direction of generating a research topic?
  - Meditating
  - Moderating
  - Integration
    - We would like to explicitly encourage manuscripts that integrate both multiple research topics (e.g. signal theory and guarantee) and multiple methods (experiment and modeling). (Journal of Retailing)
  - Replication?
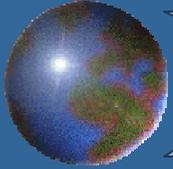
Is replication a good strategy?
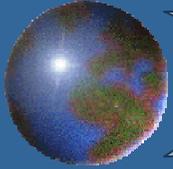## (Journal of Retailing)

- It is good when

    The initial study has findings that are so counter to accepted theory that replications are needed in order to insure that the first findings were not due to error or random chance.

- It is less likely when

    a replication whose fundamental contribution is the use of a different sample.
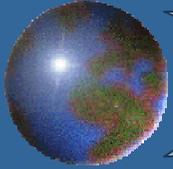
Introduction

- Relationship marketing focuses on approaches to build, develop and maintain successful relational exchanges (Morgan and Hunt, 1994).
- The Web offers great potential for building customer relationships (Aladwani 2001; Nath et al. 1998).
- Online shoppers lack of loyalty (Nunes and Cespedes , 2004).
- How can an e-tailer build relational bonds with Internet shoppers?
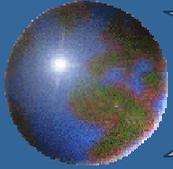
Introduction

- Goods/services are specified on a continuum of search, experience, or credence attributes (Brush and Artz 1999; Ostrom and Iacobucci 1995).

- In an online shopping context, the ways that an e-business interacts with customers also may be different for these categories.

Introduction

- Yu Shan online ticket center (http://www.ysticket.com/) focuses on providing lower prices for airline tickets (search).
  - From 1998 to 2002, its revenues grew 700%, and its operating costs made up as little as 2% of its revenue.
- ING Antai's award-winning insurance Web site (www.Inglife.com.tw) presents various online policy services functions (e.g., e-policy, e-key), as well as online health value-added services such as an insurance encyclopedia, online financial advisory services, and integrated medical resources .
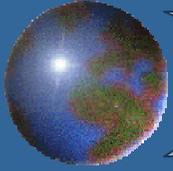
Introduction

- The purposes of this study are two folds:
 - To explore relational bonds in an online shopping context

  - To test the contingent relationships among service types, relational bonds, and customer commitment
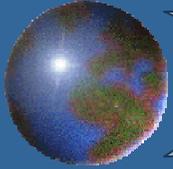
The reviewers' Comments

- This paper offers a promising coming together of two well-established literatures (types of relational bonds and types of goods/services) that have significant potential to be related but have not been examined simultaneously.

- You need to offer some discussion for why you are using the internet context other than people have not done it before. Why are these effects unique or different in the internet context? Do you expect they would be different in offline retail? You do need to give us some defense for why this context is the correct one to examine and will be interesting.
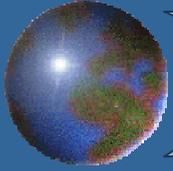
The reviewers' Comments

- The theory in this paper is in three layers:
  - 1. Certain types of bonding mechanism help customer loyalty.
  - 2. Relative efficacy of three bonding mechanisms is contingent upon the search/experience/credence contingency.
  - 3. Specific Web site features and offerings constitute the type of bonding mechanism as defined—therefore, a given bonding mechanism as operationalized works better for some product type than others.
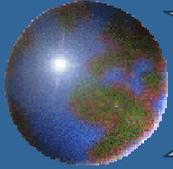
Theoretical Issues
(Hypotheses Building)
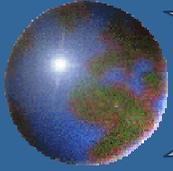
Relational Bonds

- Berry and Parasuraman (1991) have noted that a customer retention strategy can focus on three types of bonds: financial, social, and structural.
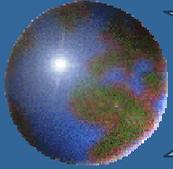
- Subsequent studies, including Berry (1995), Peltier and Westfall (2000), and Williams, Han, and Qualls (1998) have adopted this typology to discuss the effects of these bonds.

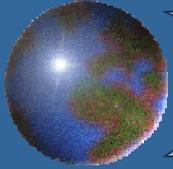# *Relational bonds and commitment*

- Financial bonds enhance customer relationships through special price offers or other financial incentives to loyal customers (Berry 1995).
    - Croft (1998) finds that price is one of the most important reasons for consumers to purchase from home.
    - E-tailers sends periodic e-mails about price discounts to individual customers (Strauss and Frost 2001)
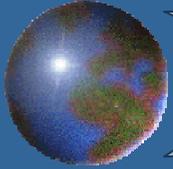
Relational bonds and commitment

- Social bonds pertain to service dimensions that offer interpersonal interactions, friendships (Wilson 1995), and identifications (Smith 1998; Turner 1970).
  - Social bonds can also be built through customer-to-customer interactions and friendships (Zeithaml and Bitner 2000).
  - 3Com enhances social bonds by creating a community of users who share software and tips on the company's Web site (Strauss and Frost 2001).

Relational bonds and commitment

- Structural bonds (Berry, 1995; Turnbull and Wilson 1989)
    - the value-adding services that are designed into a Web site—including knowledge and information about the industry and product customization—are not readily available elsewhere, and are expensive for customers to supply if they terminate the relationship
- The solution to the customer's problem is designed into the service-delivery system rather than depending upon individual service providers
- Mass customization is a major way to create structural bonds in a virtual environment.
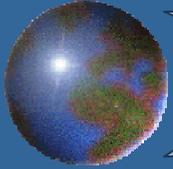
The Types of Goods and Services

- All goods/services can be placed on a continuum ranging from easy to difficult to evaluate; their location on the continuum, which depends on the level of information asymmetry (Darby and Karni 1973; Nelson 1970, 1974), marks them as search, experience, or credence goods/services.
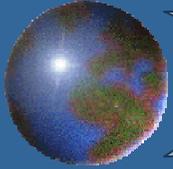
Information Asymmetry

- Search goods/services:
  - Dominated by attributes that potential buyers can acquire full information prior to purchase (e.g., clothing, software, tickets)
- Experience goods/services
  - dominated by attributes that cannot be known until use of the product (e.g., travel, telecommunication)
- Credence goods/services
  - The specialized knowledge needed to provide a credence good/service makes it difficult for the client to evaluate the service quality even after purchase and consumption (e.g., legal services, financial investments, and education) (Lovelock 2001).
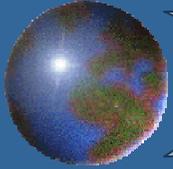
Relational bonds, commitment, and information asymmetry

- Internet has influenced goods/services along the continuum of information asymmetry in different ways

  - For highly standardized goods/services, the Internet effectively serves as a new distribution channel (Alexander and Colgate 1998).

  - However, for professional goods/services, the Internet may be viewed as an information resource rather than a distribution channel (Laing et al. 2002)
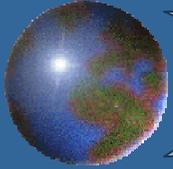
Reviewers' comments

- Give stronger definitions of the nature of the relational bonds (not just examples) and when giving examples give internet examples. Without clear definitions of the concepts it is hard to judge fit of the measures with the concepts and to understand the discrimination between the concepts.

- the treatment of constructs and operationalization in the existing literature is heuristic rather than theoretically precise, and this weakness continues in the present paper
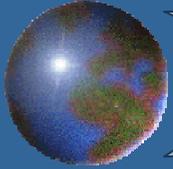
Reviewers' comments

- In the development of H2 you say the "signals conveyed during the services or after the services are completed are indications of the quality…". This gives me a problem, since by definition experience goods are those that cannot be evaluated before but can be evaluated after. Hence signals before the service can have value in conveying quality but signals after the service should be irrelevant since now true quality is known and no longer needs to be signaled. If signaling still important after service is delivered than by definition these should be credence goods because people are not confident of the quality. Be more precise and careful about your thinking about the differences between search, experience and credence goods.
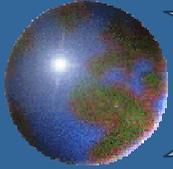
Reviewers' comments

The development of H3 is the least convincing. Why would the lack of being able to evaluate the service even after use be affected differentially by "the abilities to solve customers' problems in the service-delivery system" maybe one could argue for this is it were post-purchase servicing in the sense that if I continue to get good service even after purchase I am more likely to trust you are a good provider even though I am not able to be certain, but only a subset of your measures of structural bonds get at post-experience service. Again, trust seems to be a critical moderator of the relationship; even more than the experience goods, the credence goods seem to rely on trust to lower risk hence I can see the argument for social being more important here but this does not tie-in structural bonds. One might be able to argue that credence services are such high risk environments that risk reduction built on liking and being cared for by ones provider is not enough and we need contractual bonds to limit ones exposure to risk (this is the idea of joint specific equipment investment in b2b settings). The problem with making this argument here is that your measures don't capture joint risk taking for each party to limit the chance for abuse.

I am unsure of the role of information as a structural bond. Your measures of structural bonds seem out of line with the definition of these as ties that bind the parties together in an implicit or explicit contract. Most people use structural bonds as arrangements that generate barriers to exit (i.e., structural bonds make it more costly to switch to competitors; even your examples are like this). Structural bonds are usually thought of as the 'sticks' in contrast to the 'carrots' of social and financial bonds, but this is not how your measures are framed at all. Hence I am not comfortable with calling these structural bonds; they are really more measures of the value of information.

To build the argument as you have it here you need to first convince the reader that "more service and information" is a credible form of structural bond and then convince the reader that this will have a differential impact on credence goods. Currently neither of these issues are well developed.
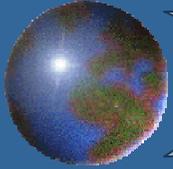
Method

- **Sample and Data Collection**
  - Convenience sample of 332 Internet shoppers
  - The sample of respondents was composed of slightly more men (55%) than women (45%); the mean age was 28.8 years, and 83.6% fell in the 20–39 years of age range. Approximately 79% of the sample had at least a college degree.
  - To examine whether the sample was representative, we compared the sample characteristics with another report. According to a sixth annual survey (http://survey.yam.com/), the sample respondents were similar in gender, age, and education to the general population of Internet users. Therefore, our study can be considered substantially representative.
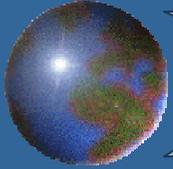
Sample (journal of Retailing)

- **Student sample?**
  - There has been a rich debate on the issue of student versus non-student sample (see Calder and Tybout 1999; Calder et al. 1981, 1982, Lynch 1999, 1982).
  - Student samples may be appropriate for theoretical research where the results can be generalized to a broader population. Students would not be appropriate when used for the convenience of the researchers.

- **Online sample?**
  - We encourage the use of online samples drawn from appropriate frames.
 - online samples are particularly appropriate for studying e-tailing issues.
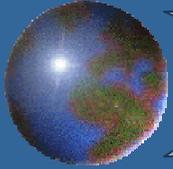
Discussion and Managerial Implications

- Understand the nature of the bonds between consumers and e-tailers
- What bonding strategies can lead to customer commitments for e-tailers in different industries?
- Develop marketing investment programs that lead to customer commitments for e-tailers in different industries
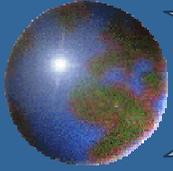
If all authors know about what good research is, why so many paper get rejected

- 知易行難，能力的limitation就是做不到
- Background的差異：見仁見智
 - 你覺得有趣但我不覺得有趣；你覺得嚴謹，但我不覺得嚴謹
  - Is beauty in the eyes of beholders?
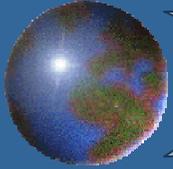
What are the common problems and weaknesses of rejected papers? How to fix these problems and weakness?

- 寫作技巧的問題，太多術語，讓人讀起來覺得不大有趣。
- 創新性不足（paper都是4-5年前的東西）
- 研究問題是不是太specific？無法一般化，若是board較廣的話。Research motivation要說清楚；local 與global的眼光不同
- Theory driven 不足
- Construct validity
- Sample selection
- Limitation：理論沒有limitation，data才有limitation
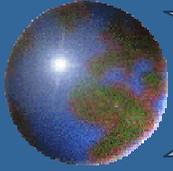
Research career

- Focus on a potential stream of research topic
- Find good partners
  - Trust
  - Commitment
  - Complementary in abilities
- Endless learning
- Be brave
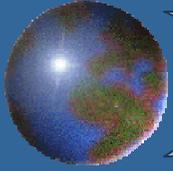
Research career

- Ethics (資料、不越級、不一稿多投)
- Be good at the research methodology
  - Case study, Ethnography
  - Traditional statistical method: regression, multivariate method
  - Structural Equation Modeling
    - Important for construct validation
    - converging and discriminant analyses are musts for most journals
  - ANOVA
    - The most common method for experimental research