Introduction to the Special Section on Marketing and Consumer Behavior in Electronic Markets

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Introduction

The Internet and Web provide an infrastructure that enables buyers and sellers to find each other online. Companies now have a new sales channel for their products and services, and numerous electronic markets are available for buying and selling at offer prices or through various auction mechanisms. Early studies of electronic markets took a simplistic view of consumers as economic agents whose behavior was guided by a search for the lowest cost transactions. While this view is sufficient for identifying some of the explanations for the growth of electronic markets, consumer behavior in these markets cannot be completely understood by economic analysis alone. The papers published in this issue were originally presented at the 2000 Americas Conference on Information Systems (AMCIS) in Long Beach, California. They represent the best papers from the Marketing and Consumer Behavior in Electronic Markets mini-track. Each paper addresses consumer behavior issues that are relevant to identifying better ways to design commercial Web sites.

Overview of Articles

The first article is “The Impact of Electronic Commerce Environment on User Behavior: The Case of a Complex Product” by Jahng, Jain and Ramamurthy. A compelling
issue facing the designer/developer of an electronic commerce environment is how it can be made more acceptable to consumers by approximating their real-world physical store purchase experience. Drawing upon previous literature, this study uses the theme of “fit” between electronic commerce environment and the product type. Using laboratory-based experiments, the influence of “fit” between electronic commerce environment and product type on user outcomes was examined. Significant support to the “fit” theory in the context of a complex product is obtained.

The second article is “The Effect of Download Time on Consumer Attitude Toward the E-Service Retailer” by Rose and Straub. Download time has been recognized as one of the most important technological impediments to electronic commerce. Unfortunately, the exact consequences of this impediment are currently ill-defined. The goal of this study is to extend previous work to examine how the capabilities of technological delivery impact the success or failure of electronic commerce initiatives. Using theories from marketing and the systems response time literature, it is hypothesized that download delay in an e-Service retailer’s Web application has a negative impact on consumer attitude toward that Web retailer. Counter to anecdotal evidence in the press and the authors’ theoretical arguments, results from a laboratory experiment do not support this stance. Based on the findings of this study, interpretations of this outcome, new research directions, and managerial implications are discussed.

The third article is “Important Design Features in Different Web Site Domains: An Empirical Study of User Perceptions” by Zhang, von Dran, Blake and Pipithsuk-sunt. This study uses an inductive thematic analysis approach to examine user perceptions on the importance of Web site design features in six different Web site domains: Financial, E-Commerce, Entertainment, Education, Government, and Medical. The five most important features, as well as the five most important families of features, are identified for each of the domains. The results indicate that (1) there are certain features that are perceived as equally important among different domains, and (2) there are other features that are regarded as extremely important for one domain and extremely unimportant for another. The study provides empirical evidence for Web site designers and evaluators about what features are more important to focus on when dealing with Web site domains.

Conclusion

The issues addressed by these studies are important for several reasons. The Internet and Web provide significant new tools for marketing, there is tremendous growth and opportunity in electronic commerce, and companies are having a difficult time identifying their target market and how they can design their digital storefront to attract and retain these potential online customers.
A number of conclusions can be drawn from the current state of electronic market activity and research. The Web is an effective tool for marketing that reduces many costs and enables enhanced communications and relationships between companies and their customers. Because of this, advertising and sales revenues will continue to grow for some time in many industries. There is tremendous opportunity because online advertising and retail sales are still a small percentage of traditional advertising and retail sales. And because electronic markets provide an effective new sales channel, and their use is expected to continue growing, there are an endless number of research issues that must be addressed to understand how to effectively compete in these new marketplaces.

The implications for companies are that they must identify their online customers and design their online strategy to attempt to differentiate themselves from their competitors in this highly competitive market. The implications for researchers are that there are more questions than answers, but there are some published articles to provide a starting point. In particular, it seems that demographics alone does not predict online buying so more complex psychological and sociological issues must be addressed such as the factors that affect consumer willingness to buy online, use of the online channel for information search, and actual online purchase behavior.