

***MEDIATING IMPACT OF CHANNEL KNOWLEDGE ON SHOPPING ORIENTATIONS
IN CONSUMERS' BUYING BEHAVIOR: A STUDY OF TOURISM PRODUCTS***

Bomi Kang, Ph.D., CHE

Assistant Professor
E. Craig Wall College of Business Administration
Coastal Carolina University
PO Box 261954
Conway, SC 29528-6054
Voice: (843) 349-6458
Fax: (843) 349-2455
bkang@coastal.edu

Sungsoo Kim

Doctoral Student
Department of Tourism, Recreation and Sport Management
University of Florida
300 FLG P.O. Box 118208, Gainesville, FL 32611-8208
Voice (352) 392-4042
Fax (352) 392-7588
sungsook@hwp.ufl.edu

ABSTRACT

This study examined the underlying factors of online shopping behavior with special reference to the travel and tourism products (air travel, lodging, cruise, and rental car). Samples were collected from two large state universities in the southeastern U.S. Respondents were asked about their perceptions of online purchase experience and frequency of purchase within past six months. The results revealed 4 underlying domains of convenience orientation, recreational orientation, self-deregulation, and channel knowledge. Convenience orientation, recreational orientation, and self-deregulation were significant determinants of online purchase of tourism product.

INTRODUCTION

Tourism websites are plentiful and sales are increasing. The growth rate of the online travel market is exceeding that of the total travel market. PhoCusWright (2006) projects that the Internet booking will account for 54% of all U.S. travel bookings in 2007. The Internet, indeed, is the most fast growing distribution market.

Responding to such demands, tourism suppliers (e.g. hotels and airlines) added their direct online channels in fear of losing their business to a new, yet increasingly refined online business models (Web-based travel agents), such as merchant and opaque (Kang, 2005). Channel friction is shaping up to be a huge problem in industry general (McCune, 1999; Schoenbachler & Gordon, 2002) but particularly in tourism industry where traditional tour operators and travel agents are concentrated and control a large percentage of sales (Kang, 2005). Internet-based travel agents become a substantial threat to the traditional intermediaries but also to the tourism suppliers, who actually owns inventory - rooms, seats, cars, and ships.

Although tourism literatures and experts unanimously agree that today's customers are proficient at using Internet and possess unprecedented power and knowledge about products, inventories, and competitive

offerings (Schoenbachler & Gordon, 2002), they ask the same unanswered questions; reasons why Internet users buy travel products online. To answer this question, the authors investigated factors of Internet purchase with a special reference to tourism-related product from both theoretical and practical perspectives. Utilizing well-established shopping orientation theory, the current study examined convenience and recreational shopping orientation, self deregulation, and channel knowledge on purchase of travel product online. In particular, this paper tested four hypotheses as below:

- H1: Convenience shopping orientation positively influences online reservations.
- H2: Recreational shopping orientation positively influences online reservations.
- H3: The less self-regulated customers are, the more they make online reservations.
- H4: Customer's channel knowledge positively influences online reservations.

LITERATURE REVIEW

Shopping orientations are related to general predisposition toward acts of shopping. The concept of shopping orientations is operationalized on the basis of attitudes toward activities, interests, and opinion statements pertaining to acts of shopping (Holbrook, 1986; Kim & LaRose, 2004).

This study examined two most well studied shopping orientations in marketing literature; convenience (Bellenger, Robertson, & Greenberg, 1977; Girad, Silverblatt, & Korgaonkar, 2002; Jarvenpaa & Todd, 1997; Li, Kuo, & Russel, 1999) and recreational (Bellenger & Korgaonkar, 1980; Donthu & Garcia, 1999) orientation as well as self-deregulation that was found to be an important determinants of online shopping behavior (Kim & LaRose, 2004).

Convenience orientation: The convenience maximization orientation (Girad, Silverblatt, & Korgaonkar, 2002; Jarvenpaa & Todd, 1997; Li, Kuo, & Russel, 1999) refers to shoppers attitudes (Holbrook, 1986) toward shopping as a procedure to maximize their individual economic efficiencies; specifically, to minimize their search and transaction costs. Convenience orientation stresses the utilitarian value of shopping, as a task-related, rational, deliberate, and efficient activity (Babin, Darden, & Griffin, 1994). Therefore, shoppers with convenience orientations try to minimize their search cost as much as possible to save time or energy for activities other than shopping (Anderson, 1971). These previous studies were tested in retail-based setting, yet the convenience orientations may perfectly explain the increase of online shopping as it saves the time and effort needed visits for product or price comparisons (Darian, 1987; Girard, et al., 2002; Jarvenpaa & Todd, 1997; Li, et al., 1999).

Recreational orientation: Shoppers with a recreational orientation view shopping as a form of recreation and often make impulse buys (Bellenger & Korgaonkar, 1980; Donthu & Garcia, 1999). The hedonic value of recreational orientation results from enjoyment and playfulness rather than from task completion (Holbrook & Hirschman, 1982). Hedonic value is indicated by increased arousal (e.g. excitement caused by bargains), perceived freedom, fantasy fulfillment, and escapism (Hirschman, 1983). Thus, shoppers who pursue hedonic or recreational outcomes from shopping tend to spend more time on shopping, go shopping without plans or product lists, and continue shopping even after purchasing products they planned to buy. In these situations, purchases may be driven by "need to purchase" rather than "need for a product" (Rook, 1987). Therefore, shopping experiences driven by a recreational orientation lead shoppers to make more unregulated buys. (Bellenger & Korgaonkar, 1980).

Self-deregualtion: In Babin, et al. (1994)'s study, a website shopper with a specific gift purchase in mind was attracted by an on-site shopping recommendation to buy a fun gift for himself on impulse. More recent marketing studies (Kim & LaRose, 2004) found that online shopper may exhibit unregulated purchase behavior regardless of shopping orientations under the circumstances of exposed stimuli (solicitation, interactive features of Website). Online shoppers were found to possess multiple shopping

orientations (Brown, Pope, & Voges, 2003), combining the pursuit of convenience and recreational outcomes when they were attracted by a nature of impulse buying. This suggests that shopping with a convenience orientation may be accompanied by pleasure or arousal, and does not need to exclude hedonic outcomes. LaRose and Eastin (2002) found that deficient self-regulation was related to the amount of online shopping activity.

Channel Knowledge: While there are a plethora amount of debates on whether customers know who they are paying to or who provides products and services, it is interesting that very limited number of empirical researches is done in examining an impact of customers' channel knowledge on the purchasing of travel product online. Because empirical research on channel knowledge, especially online ones is quite limited, we had to rely on a restricted number of previous studies of e-commerce. Li, Kuo, and Russell (1999) found channel knowledge is the strongest predictor of online buying behavior suggesting that knowledgeable customers tend to have more positive perceptions of the online channel's utility and thus are more frequent web buyers.

METHODS

Data was collected at two large state universities in the southeastern region. Participants were screened if they had made an online reservation (e.g., air travel, lodging, cruise, and rental car) in past six months, and then asked about their online booking experience. After removing influential points, 87 responses were retained for further analysis.

A battery of 28 items was generated based on the literature, encompassing 4 domains (convenience, recreational, self-regulation, channel knowledge). Respondents were asked to rate their level of agreement on 28 items in order to measure the perceptions about their online purchase experience. A seven-point Likert scale was used, ranging from strongly disagree (1) to strongly agree (7). The frequency of purchase was measure by a single item on a 7-point scale, ranging from never (1) to very often (7).

RESULTS

A principal component analysis (PCA) with varimax rotation was conducted. Kalser-Meyer-Olkin (KMO) measure of sampling adequacy of the final model was .778, which verifies factor analysis is appropriate for the data. The PCA generated four factors with the eigenvalue of above 1.0. Four factors accounted for about 66.4% of the total variances. The factors were labeled according to the items with higher loadings and common characteristics in each dimension, namely convenience, recreational, deficient self-regulation, and channel knowledge. As seen in Table 1, each factor was consisted of six items.

TABLE 1. EFA Results

<i>Item</i>	<i>Mean (S.D)</i>	<i>Convenience</i>	<i>Recreational</i>	<i>Deficient Self-regulation</i>	<i>Channel Knowledge</i>
CON1	5.81 (1.314)	.868			
CON2	5.69 (1.448)	.872			
CON3	5.62 (1.472)	.797			
CON5	5.65 (1.232)	.846			
CON6	5.83 (1.180)	.827			
CON7	6.00 (1.058)	.788			
REC1	4.80 (1.240)		.806		
REC2	4.17 (1.369)		.745		
REC3	4.71 (1.255)		.844		

REC5	4.54 (1.275)	.873		
REC6	4.37 (1.359)	.804		
REC7	4.18 (1.798)	.517		
DS1	2.12 (1.590)		.693	
DS3	2.28 (1.685)		.793	
DS4	2.12 (1.537)		.778	
DS6	1.94 (1.506)		.894	
DS7	1.93 (1.540)		.836	
DS9	2.12 (1.567)		.806	
CK1	3.96 (1.602)			.711
CK2	3.94 (1.450)			.649
CK3	4.21 (1.440)			.524
CK4	3.52 (1.269)			.645
CK5	3.56 (1.507)			.837
CK6	4.13 (1.378)			.809
<i>Eigenvalues</i>	6.190	4.709	2.866	2.178
<i>% of variance explained</i>	19.1	17.1	16.5	13.7
<i>Cronbach's Alpha</i>	.92	.88	.91	.81

A multiple regression was used to examine the extent to which factor contributed to the actual purchase of tourism product. Retained factor scores for 4 domains were regressed on the frequency of online reservations.

TABLE 2. Results of Multiple regression of factor scores on online reservation

	Standardized Beta	<i>p</i> -value
DV = "how often did you make online reservation in the past six months?"		
Convenience	.237	.014**
Recreational	.304	.002**
Deficient Self-regulation	.324	.001**
Channel Knowledge	.180	.061*
$R^2 = 29\%$. * $p < 0.10$ ** $p < .05$ *** $p < .001$		

From Table 2, three independent variables reported a statistically significant results on frequency of online reservation, which include convenience ($\beta = .237$, $p = .014$), recreational ($\beta = .304$, $p = .002$), and deficient self-regulation ($\beta = .324$, $p = .001$). Channel knowledge, however, showed a marginally significant influence the dependent variable ($\beta = .180$, $p = .061$).

DISCUSSION

The result of this study offers very interesting explanations of online booking behavior. First, the two dominant shopping orientation theories hold true in electronic shopping of tourism products. Secondly, the result implies a possible relationship of customer's channel knowledge and booking preference on the various booking websites.

Future study should examine a direct linkage between recreational and convenience orientation with deficient self regulation (Kim & LaRose, 2004), as well as a linkage between customers' knowledge and perceived utility (conventional orientation). In addition, the result calls for a holistic path model for shopping orientation, self-regulation, channel knowledge, and its outcome of actual purchasing behavior, with consideration of demographic variables, such as income and age (Li, Kuo, & Russell, 1999).

APPENDIX

Convenience

- Con1: Online reservation is more convenient than going to travel agent.
- Con2: Online reservation is more convenient than calling to travel agent.
- Con3: Online reservation is more convenient than calling service provider directly (airline, hotel, rental car company, etc.).
- Con5: Online reservation takes less time to reserve what I want.
- Con6: I can shop around for the best buy by booking online.
- Con7: By going online, I can consider a wide selection before making a reservation.

Recreational

- Rec1: Online reservation is enjoyable.
- Rec2: Online reservation cheers me up.
- Rec3: I enjoy making reservations online.
- Rec4: Surfing reservation sites is usually a pleasant experience for me.
- Rec6: I never feel bored when I surf to make reservations.
- Rec7: I like alerts of new deals and special offers.

Deficient self-regulation scale

- DS1: I made a reservation on the Internet that I did not originally intend to.
- DS3: I made a reservation on the Internet for things that I knew I couldn't afford.
- DS4: I made a reservation of a trip on the Internet that I really didn't need.
- DS6: I kept making more and more reservations every time I went online booking sites.
- DS7: I felt anxious to go online and purchase some more.
- DS9: I cancelled reservation that I made online.

Channel Knowledge

- CK1: I know why price for the same tourism products are different through Websites
- CK2: I know the end service provider of a product that I paid for.
- CK3: I know which Website will give me the best price for the same product.
- CK4: When I find a travel product with different prices on multiple sites, I know who actually has the inventory.
- CK5: I know who will eventually get my information when I make a reservation online.
- CK6: I know exactly who I am paying to.

REFERENCES

- [1] Anderson, T. W. "Identifying the convenience-oriented consumer." *Journal of Marketing Research*, 1971, 8, 179-183.
- [2] Babin, B. J., Darden, W. R., & Griffin, M. "Work and/or fun: Measuring hedonic and utilitarian shopping value." *Journal of Consumer Research*, 1994, 20(4), 644-656.
- [3] Bellenger, D. N., & Korgaonkar, P. K. "Profiling the recreational shopper." *Journal of Retailing*, 1980, 56(3), 77-92.
- [4] Bellenger, D. N., Robertson, D. H., & Greenberg, B.A. "Shopping center patronage motives." *Journal of Retailing*, 1977, 53(Summer), 29-38.
- [5] Brown, M., Pope, N., & Voges, K. "Buying or browsing? An exploration of shopping orientations and online purchase intention." *European Journal of Marketing*, 2003, 37(11/12), 1666-1684.
- [6] Darian, J. C. "In-home shopping: Are there consumer segments?" *Journal of Retailing*, 1987, 63(3), 163-186.
- [7] Donthu, N., & Garcia, A. "The Internet shopper. *Journal of Advertising Research*," 1999, 39, 50-58.

- [8] Girad, T., Silverblatt, R., & Korgaonkar, P. "Influence of product class on preference for shopping on the Internet." *Journal of Computer Mediated Communication*, 2003, 8(2), Retrieved October 17, 2006 from <http://jcmc.indiana.edu/vol8/issue1/girard.html>.
- [9] Hirschman, E. C. "Predictors of self-projection, fantasy fulfillment and escapism." *Journal of Social Psychology*, 1983, 120, 63-76.
- [10] Holbrook, M. B. *Emotion in the consumption experience: Toward a new model of the human consumer*. In R. A. Peterson et al. (Eds.), *The role of affect in consumer behavior: Emerging theories and applications* (pp. 17-52). Lexington, MA: Heath, 1986.
- [11] Holbrook, M. B., & Hirschman, E.C. "The experiential aspects of consumption: Consumer fantasies, feelings, and fun." *Journal of Consumer Research*, 1982, 9, 132-140.
- [12] Jarvenpaa, S. L., & Todd, P.A. "Consumer reactions to electronic shopping on the World Wide Web." *Journal of Electronic Commerce*, 1997, 1(2), 59-88.
- [13] Kang, B. *Antecedents and consequences of electronic distribution channel strategies in the U.S. lodging industry: Operator's perspectives*. Dissertations Abstracts International, 66 (11), 4105 A (UMI No. 3194249), 2005.
- [14] Kim, J., & LaRose, R. "Interactive E-commerce: Promoting consumer efficiency or impulsivity?" *Journal of Computer Mediated Communication*, 2004, 10 (1). Retrieved October 17, 2006 from http://jcmc.indiana.edu/vol10/issue1/kim_larose.html
- [15] LaRose, R., & Eastin, M. S. (2002). "Is online buying out of control? Electronic commerce and consumer self-regulation." *Journal of Broadcasting and Electronic Media*, 2002, 45(4), 549-564.
- [16] Li, H., Kuo, C., & Russel, M. G. "The impact of perceived channel utilities, shopping orientations, and demographics on the consumer's online buying behavior." *Journal of Computer Mediated Communication*, 1999, 5(2). Retrieved November 3, 2005 from <http://jcmc.indiana.edu/vol5/issue2/hairong.html>.
- [17] McCune, J. "Boom or burden?" *Management Review*, 1999, 88(4), 53-57.
- [18] PhoCusWright. U.S. *Online travel overview* (6th ed.). Sherman, CT: PhoCusWright Inc, 2006.
- [19] Rook, D. W. "The buying impulse." *Journal of Consumer Research*, 1987, 14, 351-357.
- [20] Schoenbachler, D. D., & Gordon, G. L. "Multi-channel shopping: understanding what drives channel choice". *Journal of Consumer Marketing*, 2002, 19(1), 42-53.