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Chee-Wee Tan

University of British Columbia, chee-wee.tan@sauder.ubc.ca

Izak Benbasat

University of British Columbia, izak.benbasat@sauder.ubc.ca

Ronald T. Cenfetelli

University of British Columbia, ron.cenfetelli@sauder.ubc.ca

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Towards Understanding the Formation and Impact of E-service Failures

Chee-Wee Tan

Sauder School of Business
University of British Columbia
2053 Main Mall, Vancouver,
BC, Canada V6T 1Z2
chee-wee.tan@sauder.ubc.ca

Izak Benbasat

Sauder School of Business
University of British Columbia
2053 Main Mall, Vancouver,
BC, Canada V6T 1Z2
izak.benbasat@sauder.ubc.ca

Ronald T. Cenfetelli

Sauder School of Business
University of British Columbia
2053 Main Mall, Vancouver,
BC, Canada V6T 1Z2
ron.cenfetelli@sauder.ubc.ca

ABSTRACT

E-service failure has been the bane of e-commerce by compelling consumers to abandon transactions entirely or to switch to brick-and-mortar establishments. Yet, despite the downsides of e-service failures, there has not been a study to-date that systematically investigates how perceptions of failure arise within online transactional environments and their impacts on consumer behavior. Departing from the multi-attribute utility approach prevalent in conventional consumer research, this study advances a typology of e-service failure from a goal-directed perspective. Assimilating Lee and Ariely's (2006) shopping goal theory with Van Osselaer et al.'s (2005) classification of consumer goals, it is the contention of this study that when transacting online, consumers are not only motivated to (1) purchase a product suited to their extrinsic requirements (i.e., consumption goals) and personal preferences (i.e., criterion goals) while enjoying the transactional experience (i.e., process goals), but they are also seeking ways to (2) translate what are often elusive intentions into tangible objectives (goal activation) and achieve those objectives in the most efficacious manner (i.e., goal implementation). Consequently, e-service failures can be delineated according to the type of consumer goal (i.e., consumption, criterion or process) they target and the transactional stage (i.e., activation or implementation) at which they occur. A research model of e-service failure is then constructed and testable hypotheses are derived.

To empirically validate the model, a 3x3 experimental design is proposed and elaborated. The experiment employs a 3 (Type of Failure: Activation Success + Implementation Failure; Activation Failure + Implementation Failure or Activation Failure + Implementation Success) x 3 (Type of Goal: Consumption; Criterion; or Process) between-subjects factorial design will be conducted. A totally separate control group without any form of e-service deficiency (Activation Success + Implementation Success) across the three goal categories will also be incorporated into the experimental design to contrast differences in consumers' perceptions, attitudes and behaviors arising from the distinction between the presence and absence of implementation failures given the successful activation of consumer goals. It is anticipated that the empirical findings from our experiment will serve to inform academics and practitioners on: (1) how consumer perceptions of different types of e-service failure manifest on e-commerce websites, and; (2) their impact on transactional attitudes and intentions.

Conceptually, our proposed experimental study is designed to not only verify the veracity of our research model, but to also challenge the premise underlying past research into consumer behavior. Theories like the EDT have contended that expectations constructed from previous transactional experiences form the baseline from which consumers assess future transactions. Yet, if we were to establish goal activation as a prerequisite for perceptions of implementation failure to arise, it will imply that while prior transactional experiences might be pertinent in affecting consumer behavior, goals—which are activated through immediate interactions with the e-commerce website—may be a more salient influence. Additionally, the experiment represents an opportunity to validate our typology of e-service failures by demonstrating how they might occur in reality and explaining why each e-service failure type might be more or less effective in affecting online consumer behavior. Pragmatically, empirical findings can offer cautionary advice to practitioners to be vigilant in web interface design so as to avoid activating unwanted goals, especially when the website is ill-equipped to fulfill them. Further, the typology of e-service failures can provide guidelines for practitioners to establish benchmarks for designing error-free e-commerce websites. Finally, this study acts as a pre-requisite to uncovering corresponding e-service recovery mechanisms that can be offered on e-commerce websites to alleviate consumers' disappointment and feelings of dissatisfaction in the event of e-service failures.

Keywords

E-Service Failure, Goal-Directed Perspective, Goal Activation, Goal Implementation, Consumption Goals, Criterion Goals, Process Goals.