Journal of Academic Research in Economics

Volume 11 Number 1 March 2019

ISSN 2066-0855

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CONTENTS

THE EFFECT OF CONSUMER DECISION MAKING STYLES ON COGNITIVE DİSSONANCE ALONG WITH THE ROLE OF THE PERCEIVED RISK AS A MODERATOR IN ONLINE SHOPPING

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Abstract

The purpose of this research is to examine the moderator effect of the perceived risk between consumer decision making styles and cognitive dissonance. The impact differences of the interaction effect and the direct effect of consumer decision-making styles on cognitive dissonance have been tried to be determined in online shopping. The study also gives an answer to the question if there are meaningful impact between cognitive dissonance, perceived risk and customer satisfaction. The research is restricted to "online private shopping sites". The analysis of the data (N=510) through Structural Equation Modeling (SEM) in AMOS reveals that: cognitive dissonance has negative impact on customer satisfaction; despite the fact that consumer decision-making styles have no significant impact on cognitive dissonance, perceived risk has a moderation role in the link between consumer decision making styles and cognitive dissonance; consumer decision making styles has significant effect on customer satisfaction and, perceived risk has positive impact on cognitive dissonance. The results are expected to provide insight into online shopping sites, to improve data-base marketing and advertising practices and to reduce cognitive dissonance and perceived risk factors for success and more customer satisfaction. Finally, the theoretical and managerial implications of the study are discussed. In addition, directions for future research are presented.

Keywords: Consumer Decision Making Styles, Perceived Risk, Cognitive Dissonance, Customer Satisfaction, Online Shopping.
JEL Classification: M00.

1. INTRODUCTION

This research aims to enable the understanding of online consumer behavior. The number of shoppers on the Internet is increasing day by day. However, due to increased competition, e-retailers are struggling to maintain customer interest in marketing messages and to prevent customers from purchasing other e-retailers' product (Hoffman and Novak, 2000; Licata, 2000; Reichheld and Schefter, 2000). Research shows that consumers are moving very quickly from one website to other website (Yun and Good, 2007, p.4). Therefore, it is not an easy task to attract and maintain the interest of consumers. Shopping from the Internet is one of today's inevitable and constantly important sales channels. It is vital that businesses use online channel sales to increase their sales and profits, to take part in competition and to make it sustainable. In addition, the concept of customer satisfaction is one of the most important concepts of companies and even more important is shopping on the internet as much as it is in traditional sales channels because it is the pioneer in creating loyal customers. With the introduction of the internet into our lives, the concept of shopping has changed rapidly. In addition to the "communication" self-product, the phone and computers have made online shopping easy. In this sense, it has become a necessity to examine consumer buying behaviors.

According to the report "The New Growth Engine in the Digital World: E-Commerce" published by TÜSİAD (Turkish Industry and Business Association) Chairman Erol Bilecik in May 2017, e-commerce has reached 1.6 trillion dollars from 630 billion dollars in the last 4 years worldwide. The share of e-commerce in total retail has increased from 4.2% to 8.5%. This statistic shows that there is still plenty of opportunity of development. According to the report, the transaction volume of 1.6 trillion dollars is expected to reach 3 trillion dollars in 2020.The statistics for Turkey are as follows: Internet penetration is 58% and the number of people using the Internet is said to be 46 million. E-commerce volume reached TL 30.8 billion.

It was decided that the internet has high effect on shopping and that there are few papers on online cognitive dissonance in marketing. The main point of this study is structured on the cognitive dissonance. In the modeling phase, it was asked whether the consumer decision-making styles have an effect on the cognitive dissonance. Furthermore, during the literature review, perceived risk was an important factor in online shopping and was added as a moderator. In order to develop the model and to make more contribution to the development of e-commerce sites, customer satisfaction has also been added as a dependent variable and the model has been finalized.

2. LITERATURE REVIEW

2.1. CONSUMER DECISION MAKING STYLES

Decision-making styles are defined as mental guidelines that determine the way in which consumers make decisions among different products on the market (Sproles and Kendall,1986, p.267).Consumers utilize decision-making methods to come up with the best possible choice (Moon, 2004, p.104). Different consumers utilize diverse decision-making styles when they evaluate goods and services. As explained by Sinkovics, Leelapanyalert, and Yamin (2010, p.1021), decision-making styles present a way to determine the type of cognitive orientation that aids people when making their purchases. Profiling consumer decision-making styles is very important to marketers and advertisers (Lysonski et al., 1996, p.10).

2.2. COGNITIVE DISSONANCE

Leon Festinger's Theory of Cognitive Dissonance (1957) is the most important theory of consistency that has been studied extensively, including social psychology and marketing science (Kağıtçıbaşı and Cemalcılar, 2014, p.168).Cognitive dissonance is a psychological fact that occurs when there is a discrepancy between what a person believes and the information that calls this question (Festinger,1957). Consumers can feel dissonance in different measure. Some consumers may be worried about the choice they make and some are not affected by the salesperson. In some consumers, there is no emotion mentioned and consumers do not live in dissonance (Soutar and Sweeney, 2003, p.227).

2.3. PERCEIVED RISK

In the context of online shopping “perceived risk” is the critical predictor of attitude towards online shopping (Lee and Turban, 2001, p.75). Perceived risk is a consumer’s belief about the potential uncertain and negative outcomes from the online transaction (Kim et al., 2008, p.544). Despite the fact that most of the purchasing decisions involve risks, decisions associated with online shopping are inclined to have higher perceived risk which decreases the likelihood of risk-averse consumers to shop online (Li and Huang, 2010, p.816).

2.4. CUSTOMER SATISFACTION

The concept of satisfaction was first introduced to the literature by Locke in 1976 as follows: The positive emotional situation of a person as a result of his work. In 1980, Oliver extended this definition as follows; Customer satisfaction is the psychological or emotional status resulting from a cognitive evaluation of performance expectations (Oliver, 1980). Academicians emphasize that "fully

satisfied customers are truly loyal customers" and that e-retailers should consider customer satisfaction as a sign of success (Jiang and Rosenbloom, 2005).

3. RESEARCH MODEL AND HYPOTHESIS DEVELOPMENT

In this section, the proposed model and hypotheses are explained. Figure 1 shows the research model and depending on the literature, a new model is developed. The roles of perceived risk as an independent variable, as well as the role of moderator in consumer decision-making styles and cognitive dissonance have been examined. Online scales have been reached for all variables.

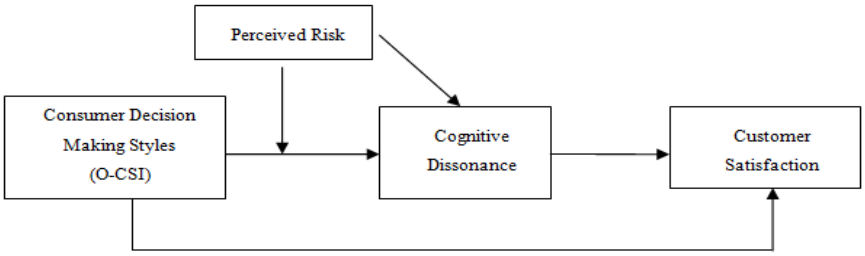

Figure 1. *Research Model*

Source: The authors' own calculation based on collected data

The research hypotheses are as follows: In online shopping, significantly:

H1: Consumer Decision Making Styles affect the Cognitive Dissonance.

H2: Perceived Risk affects the Cognitive Dissonance.

H3: Perceived Risk has a moderation role between Consumer Decision Making Styles and the Cognitive Dissonance.

H4: Cognitive Dissonance affects the Customer Satisfaction.

H5: Consumer Decision Making Styles affect the Customer Satisfaction.

4. RESEARCH DESIGN, MEASURES AND SAMPLING

Multi-item scales were taken from mentioned below studies to test the above hypotheses. All constructs were measured using 5-point Likert scales ranging from "strongly disagree" (1) to "strongly agree" (5). An online survey was applied. The suitability of the questionnaires was pre-tested by 50 consumers. After the reliability analysis, questionnaires were distributed to people. Among all of them 510 valid responses were received. The valid response rate was 78.46%. The research questionnaires were taken from the studies: Sam and Chatwin (2015), Koller and Salzberger (2007), Gozukara et al. (2007) and Jin, Park and Kim (2007).

5. ANALYSES AND RESULTS

Validity and reliability analyses, confirmatory factor analysis and path analysis for the test of hypotheses have been applied and interpreted after the exploratory factor analysis has been applied because the consumer decision style variable has been influenced very much by the country and culture differences.

5.1. EXPLORATORY FACTOR ANALYSIS (EFA) AND RELIABILITY ANALYSIS

The EFA outcomes show the factor constructs and identified five dimensions for consumer decision-making styles and one dimension for perceived risk, one dimension for cognitive dissonance and one dimension for customer satisfaction, supporting the literature. Table 1 shows the Cronbach's Alpha coefficients of the EFA result, N of items initially and after EFA and the Total Variance Explained results of the variable dimensions.

Table 1. *Dimensions' Reliability (Cronbach's Alpha), N of Items Initially and After EFA, Total Variance Explained*

		Realibility	N of Items		
	Dimensions	Cronbach's Alpha	Initially	After EFA (total variance explained)	
	Cognitive dissonance	0,946	8	8 (72,682)	
	Perceived risk	0,790	7	5 (54,591)	
	Customer satisfaction	0,891	3	3 (82,441)	
Online Consumer Style Inventory (O-CSI) Model	Website content conscious consumer	0,859	6	5 (23,761)	O-CSI model; total 14 questions' cronbach's alpha: 0,77 ; Total Variance Explained : 70,784
	Brand conscious consumer	0,692	3	3 (13,461)	
	Price conscious consumer	0,616	3	2 (10,966)	
	Novelty-fashion conscious consumer	0,795	2	2 (12,033)	
	Product portability conscious consumer	0,620	2	2 (10,577)	
	Website interface conscious consumer	-	2	-	
	High-quality, become buying habit conscious consumer	-	2	-	

Source: The authors' own calculation based on collected data (SPSS)

5.2. CONFIRMATORY FACTOR ANALYSIS

Table 2. *The research model's CFA - Fit Indices*

Goodness Of Fit Measures	χ^2 (df)	χ^2/df	NFI	NNFI	CFI	RFI	GFI	AGFI	RMSEA
Good Model Fit Ranges	not sig.	≤3	>0.90	>0.90	>0.90	≥0.85	≥0.90	>0.80	<0.08
CFA Model	748.33(sig.)	2.006	0.91	0.94	0.95	0.89	0,91	0.88	0.04

Source: The authors' own calculation based on collected data (AMOS)

χ^2/df, CFI, GFI, AGFI, NFI, NNFI, RFI and RMSEA values were evaluated for validation of confirmatory factor analysis. All of the fit indices of the model are suitable.

5.3. VALIDITY (CONVERGENT AND DIVERGENT)

Table 3. *Convergent and Divergent Validity (AVE, CR, MSV, and ASV)*

	Cognitive Dissonance	Perceived Risk	Customer Satisfaction	O-CSI 1	O-CSI 2	O-CSI 3	O-CSI 4	O-CSI 5
AVE	0,73	0,55	0,82	0,62	0,59	0,78	0,61	0,68
CR	0,96	0,86	0,93	0,89	0,81	0,88	0,76	0,81
MSV	0,28	0,28	0,16	0,24	0,14	0,24	0,14	0,05
ASV	0,22	0,13	0,07	0,12	0,06	0,08	0,05	0,04

Source: The authors' own calculation based on collected data

According to the findings obtained from the analysis, convergent and divergent validity of all dimensions of the four variables are ensured.

5.4. PATH ANALYSIS AND HYPOTHESES TESTING

For the hypotheses testing of the model, which provided validity and reliability with CFA, the AMOS Path Analysis was used.

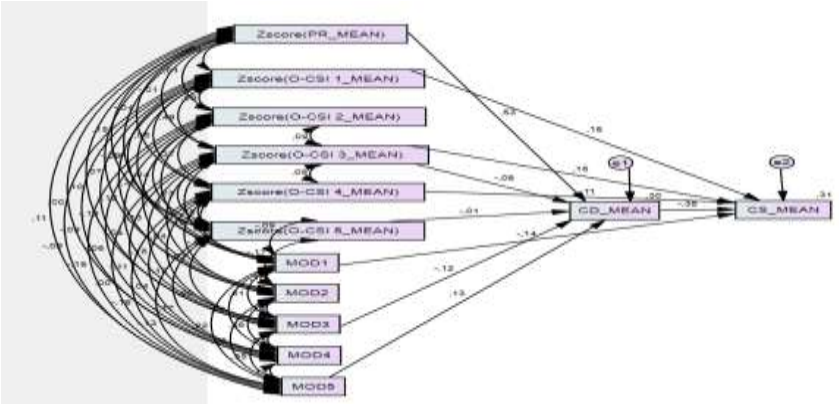

Figure 2. *AMOS/ Path Analysis*
Source: The authors' own calculation based on collected data (AMOS)

Table 4. *The research model's SEM-Model Fit Indices*

Goodness Of Fit Measures	χ^2 (df)	χ^2/df	NFI	NNFI	CFI	RFI	GFI	AGFI	RMSEA
Good Model Fit Ranges	**not sig.**	**≤3**	**≥0.90**	**≥0.90**	**≥0.90**	**≥0.85**	**≥0.90**	**≥0.80**	**≤0.08**
SEM model	20.943(not sig)	1,611	0.98	0.96	0.99	0.90	0.99	0.95	0.03

Source: The authors' own research's results (AMOS)

Model Fit indices are shown in Table 4 above.

The path analysis results show that except the first hypothesis all hypotheses are acceptable in Table 5.

Significant impacts are shown in Table 5. According to the results, while the price conscious consumer (O-CSI 3) and product portability conscious consumer (O-CSI 5) of the Customer Decision Making Styles' dimensions do not affect the cognitive dissonance significantly (p = 0.120 and p = 0.811), but when the perceived risk was used as a moderator, the effects are meaningful l(Mod3 p=0.002 and Mod5 p=0.002).They affect cognitive dissonance respectively -0,123 and 0,126 unit. H1 hypothesis is rejected and the H3 hypothesis is accepted. Perceived risk significantly influences the cognitive dissonance (Est: 0.530).H2 hypothesis is accepted. Cognitive dissonance significantly affects customer satisfaction (Est:-0,384). H4 hypothesis is accepted. Finally, O-CSI 1, O-CSI 4, O-CSI 3 affect directly customer satisfaction. H5 hypothesis is accepted.

Table 5. *Path Analysis– Standardized Regression Weights*

Regressions			Estimate	p
CD_MEAN	**<---**	**MOD3**	**-,123**	**,002**
CD_MEAN	**<---**	**MOD5**	**,126**	**,002**
CD_MEAN	**<---**	**ZPR_MEAN**	**,530**	*******
CD_MEAN	<---	ZO-CSI 3_MEAN	-,061	,120
CD_MEAN	<---	ZO-CSI 5_MEAN	-,009	,811
CS_ORT	**<---**	**CD_ORT**	**-,384**	*******
CS_ORT	**<---**	**MOD1**	**-,138**	*******
CS_ORT	**<---**	**ZO-CSI 1_ORT**	**,163**	*******
CS_ORT	**<---**	**ZO-CSI 4_ORT**	**,106**	**,004**
CS_ORT	**<---**	**ZO-CSI 3_ORT**	**,185**	*******

Source: The authors' own calculation based on collected data (AMOS)

6. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

This study presents a broad and diverse perspective on the meaning of online consumer behavior, which is now widely used and has many opportunities in the future. The study aims to present a proposal model that examines the relationship between cognitive dissonance, customer satisfaction and perceived risk in terms of consumer decision-making styles in online shopping. The fact that consumer decision-making styles causes cognitive dissonance with an interaction of perceived risk is a new finding presented in the literature of consumer behavior. In this sense, we can say that eliminating the perceived risk factors does not cause a cognitive dissonance that negatively affects customer satisfaction. The limitations of this study are just for Turkey's adult consumers and are restricted to private online sites. Since the dimensions of the consumer decision-making scale indicate cultural differences, future researchers can apply this model by identifying different dimensions and use other online shopping sites. The proposed model can also be adapted for traditional and online shopping comparison and on different product groups and their comparisons. The results are expected to provide the customer segmentation for more satisfaction in online shopping.

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