

# CONFLICTS IN USER PERCEPTIONS OF VALUE OF WEBSITES IN THE SHIPPING INDUSTRY

Work-in-progress

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## **Abstract**

**Purpose of the paper:** The aim of the paper is to define and describe conflicts in value perceptions of websites for users in business-to-business relationships in the context of shipping industry.

**Literature addressed:** The paper draws upon studies dealing with user value, conflicts in business-to-business relationships and websites.

**Research method:** The empirical part involves four case studies in the context of shipping industry. Research techniques used are personal interviews and website analyses.

**Research findings:** The paper elicits how and which website characteristics result in conflicts in perceptions of website users. It identifies conflicts of different types: personal, inter-personal, relationship and stakeholder conflict.

**Main contribution:** The paper extends current understanding of business-to-business websites which result in conflicts and of levels at which they might appear. It makes contributions both to the literature on value and business-to-business websites and to the use of websites in practice.

**Keywords:** value, websites, conflicts, business-to-business, multiple perspective, shipping industry

## INTRODUCTION

The shipping industry is one of the world's most international and the most capital intensive industry. International shipping industry accounts today for ninety percent of global trade (Maritime Knowledge Centre, 2009). Without export and import of goods, progress of the modern world would not be possible. The development of the shipping industry is thus of immense importance for the European and the world's economy. Thanks to developments in internet technologies, which bring additional efficiency and competitiveness, prospects for further growth of the industry will continue to be strong. In the business world, the impact of the Internet is quite hefty. Constant communication within the industry is necessary for progress. By means of internet technology, it is possible to efficiently and quickly contact business partners regardless of where in the world they are and without great costs. Internet is indispensable for everyday communication in business, for finding necessary information, for storing documents, for planning and for performing various business tasks. All that can accelerate and enhance business.

In order to enhance the use of the Internet in shipping industry it is necessary to understand needs of its users in the industry. In order to understand these needs, it is important to understand the value of the Internet for users. Studies generally agree that by understanding customer value, the potential for organization success increases (Khalifa 2004). Lapierre (2000) argues that it is critical for organisations to understand their offerings and learn how they can be enhanced to provide value to their users. In addition, Broekhuizen (2006) emphasizes the essence of knowing customers value, what they want and what characteristics are important in their judgements of value, before we can truly understand their intentions and choices. In fact, superior customer value is a crucial element of company prosperity (Woodruff 1997; Khalifa 2004).

Despite the need to perceive the value of the Internet for users in the context of business relations in general and in the context of the shipping industry which is of immense importance for the European and the world's economy, knowledge regarding Internet use and web sites is in its beginnings. To allow efficient interaction in the industry, the actors in the shipping industry employ a variety of websites and the use of websites continuously increases, facing also a lot of problems. Despite that, research on value in the particular context is lacking while studies dealing with websites do practically not exist. In addition, current studies on value of websites (e.g. Golik Klanac 2008) focused on value of customers and not on value of the other side. To capture the value from relationship perspective, important is to capture perceptions of both sides involved.

Users carry different views on value as value is subjective. These views may not only be different but may be also conflicting if leading to opposite goals. The aim of the paper is to identify and describe conflicts in value perceptions of websites for multiple users in business-to-business relationships in the context of shipping industry. More specifically, the aim is to

investigate characteristics of internet and web sites which are of conflicting for users in the shipping industry and to find why they are conflicting.

Theoretical framework of this study consists of the theory and literature on value of using the Internet in business. The main research methods that will be used for analyze the theory of value is qualitative research. It will be conduct in- depth interviews with companies from the shipping industry. Analysis of the research is involves iteration between the obtained results and the theory of value of the Internet.

## **BUSINESS-TO-BUSINESS WEBSITES**

A website can be seen through its characteristic. Following communication theory (Krone *et al.* 1987), website can be seen through its different facets that matter in the development of communication strategies. In B2B relationships, several communication facets need to be taken into account: content, form, and direction (Mohr and Nevin 1990).

Content of communication relates to the message or type of information that is transmitted (Krone *et al.* 1987; Mohr and Nevin 1990). Content can vary from general to individualized. General content concerns issues that are of interest for the customers but is not focused on information related to a relationship with a specific company while individualized content is developed for a specific customer i.e. for a particular relationship – including every aspect of a relationship and purchasing. Form of website communication refers to the tools used to transmit information (Krone *et al.* 1987). Form can be personal or impersonal, supporting one-to-one or mass communication respectively (Moriarity and Spekman 1984). Interactive forms such as feedback forms, online customer support, document storage or solution specifying tools are considered to be personal as they support one-to-one communication (Deeter-Schmelz and Kennedy 2002; Mohammed *et al.* 2003; Turban *et al.* 2007; Strauss and Frost 2009). Such forms often require person identification. On the other hand, some forms such as online brochures or product recommendations are considered impersonal since they are lacking one-to-one interaction. The third facet - direction of communication focuses on the patterns of contacts between organizations (Mohr and Nevin 1990). In that respect, website communication can be not only unidirectional and bidirectional but also multidirectional as all parties can interact with each other (Hoffman and Novak 1996).

## **CUSTOMER VALUE**

The concept of CV has captured substantial attention in marketing research. Current BtoB studies determine characteristics of products, services and relationships that drive CV (e.g. Lapierre 2000; Ulaga 2003; Bovik 2004), examine CV of technology (e.g. Foster 2005), develop

tools for measuring CV (Ulaga and Chacour 2001; Hogan 2001), review research on CV (Ulaga 2003; Lindgreen and Wynstra 2005) or compare CV with other marketing concepts (Eggert and Ulaga 2002; Ulaga and Eggert 2006).

The concept of perceived value is characterized by complexity and richness. Perceived value of a website is neither wholly objective nor subjective as it entails subject-object interaction (Holbrook 1999) – a customer-website interaction. CV is also contingent on a person, situation and objects of comparison (Garver and Gardial 1996; Holbrook 1999). CV of websites in BtoB relationships is multidimensional, relativistic perception and experience that encompass customer desired end-states that customers associate with website communication in BtoB relationships (Golik Klanac 2008b). Customer-desired end-states represent the reasons for using websites in communication and stand for the highest level of CV abstraction. CV seen through customer-desired end-states is considered to be the most stable and it could be generalized across different contexts and situations (Reynolds and Gutman 1988).

Value is seen as something that is perceived by the customers rather than objectively determined by the seller (Whittaker, Ledden, Kalafatis, 2007). Authors generally agree that value is considered as benefits obtained from the relationship less the costs from the relationship (Lapeirre, 2000). According to Ruiz et al. (2008) recent literatures conceptualize value as multidimensional construct. Consisting of different value dimensions and forming different value typology.

Creating value is something that must be incorporated in company's business. In that process of value creation in the company marketing's role is essential. It helps creating value for its customer's that is superior to competition (Tzokas and Saren 1999). In that process managers must take into consideration that different perspectives of value exist. In most cases, also in business-to-business market value to producer means something different than value to customer (Lindgreen and Wynstra 2005, Sweeny and Webb 2002). The same item may change value depending upon time, place and use.

Current research on perceived value of BtoB websites is scarce. Only a few studies touch upon the topic of BtoB interaction. Foster (2005) examines dimensions of CV of a BtoB extranet, outlining efficiency and effectiveness as the main CV dimensions.

Golik Klanac (2008) develops a theoretical framework of customer value of BtoB websites that takes into account CV multidimensionality and richness. That framework builds on the interaction approach to industrial markets and integrates different approaches to value (benefit-sacrifices, means-end and experiential approaches). CV of BtoB websites can be defined as an interactive, relativistic, preference experience that encompass multiple benefits and sacrifices that industrial customers associate with website communication characteristics, in terms of their expectations, i.e. needs and wants, taking into consideration the available alternative suppliers' communication channels in a specific use situation (Golik Klanac 2008). Following Forsythe *et al.* (2006), perceived benefits (sacrifices) of websites are the customer subjective perceptions of

gains (losses) from using a website as a communication tool in a business-to-business relationship.

Golik Klanac (2008) identified 7 main dimensions of CV of websites in BtoB relationships. The dimensions relate to customers' efficiency, convenience, competence, confidence, comfort, appreciation and enjoyment. Similarly to the previous studies, the research has confirmed that time and effort-related benefits are important in using websites. However, these dimensions are not the only important ones, contrary to what previous BtoB studies in the field might argue. CV of BtoB websites encompasses other dimensions not specified in previous studies, i.e. user competence-related benefits and sacrifices. Golik Klanac (2010) further found linkages between website characteristics and user consequences which result with opposite consequences. The study outlines existence of a conflict in consequences that one might perceive. For example, characteristic of a website as an impersonal mean of communication can be perceived both as positive and as negative. Such a situation could be described as conflict Gaski (1984). Previous studies thus outline the existence of conflicting situations in user perceptions but fail to specify such situations, their occurrence and possible solutions.

## **EMPIRICAL STUDY**

Due to the newness and scarce investigation of the research area, as well as the context-dependence of the phenomenon, the case study design and qualitative research techniques were considered as appropriate in the empirical investigation (Lincoln and Guba 2000; Ghauri and Grønhaug 2002).

The empirical part is conducted in the shipping industry with the help of qualitative methods. Business relationships in the shipping industry involve various companies such as: ship-owners, suppliers, classification societies, repair yards, shipyards etc. Companies are spread all over the world and they communicate by the Internet however a big portion of communication is still done face-to-face.

As research on user value of websites in shipping industry practically does not exist, case studies and qualitative methods were found appropriate (Lincoln and Guba 2000; Ghauri and Grønhaug 2002). The process of data collection involved several stages. It started with gaining a pre-understanding (Gummesson 2000) of the industry and internet use in the industry through interviews with industry experts and through analysis of various websites in the industry. To gain the pre-understanding of the industry, we carried out meetings and discussions with experts in the industry and inspected industry websites. To further comprehend the conflicts, we used case studies (Table 1).

Four companies, ship-owners, were used as cases. The chosen cases represent typical companies in their specific sector of shipping. The cases involve companies of different characteristics in

respect with the types of ships that they own, owing ships for transport of different cargo i.e. ships of different characteristics: passenger ships, tankers, LNGs and Ro-ro ships for transport of vehicles. The companies come from different countries in which the Internet is used in business: Belgium, Italy, Croatia and USA. In that way a mixture of characteristics in respect to business field and to internet culture is represented in the cases. Table 1 presents the cases and the interviewees.

**Table 1: Cases and interviewees**

<b>Case</b>	<b>Ship-owner A</b>	<b>Ship-owner B</b>	<b>Ship-owner C</b>	<b>Ship-owner D</b>
Ship type	Tankers	LNGs	Passenger	Ro-Ro, Ro-Pax
Country	Croatia	Belgium	USA	Italy
Interviewees	2 technical managers	1 technical manager	1 technical manager	1 tech. manager

The interviewees were asked to report their perceptions on various website characteristics as well as to tell about shipyards perceptions on the same. In that way, view on value of websites from the perspective of both sides in a relationship was received.

The analysis involved continuous interaction between the empirical findings from the interviews with Golik Klanac's (2008) dimensions' of customer value of websites. The interview transcripts were analyzed for matches and for possible mismatches in respect to the dimensions. The analysis focused on defining website characteristics incurring possible conflicts in a relationship.

## **FINDINGS**

Independent of a case, internet is used in a similar manner. It is used in every day communication for exchange of information, documents, drawings and different other work related reports. Despite the considerable presence of internet in every day work, personal communication is still employed to a great extent.

Based on the empirical study and previous research, conflict in value perceptions can be defined as a situation in which website characteristics lead to the incompatible user consequences. We can outline five types of conflicts in the perceptions of the website, based on the scope and the domain of the perception: characteristic, personal, inter-personal, relationship and stakeholder conflict.

*It was found in the study that a number of website characteristics result in value conflicts for different users (*

Table 2).

**Table 2: Characteristics resulting in conflicting consequences**

Conflict type	Characteristics resulting in conflicts	Consequences	
		Benefits	Sacrifices
Characteristic c.	Email updates	Improves competence	Reduces efficiency
Personal c.	Videoconferences	Save time and money	Lower competence
Inter-personal c.	Electronic interaction	Reduces unpleasant contact	Impersonal
Relationship c.	Insight in the performance of the process	Good overview, improved competence	Unwanted transparency decreased competence
Stakeholder c.	Inexistence of external links	Lock in effect for users	Unrealised website traffic

*Characteristic conflict.*

Characteristic conflict – the situation in which a user perceives and experiences one characteristic both as a benefit and as a sacrifice. Electronic documentation enables users to find information faster and reduces the amount of needed space for storage. Still, electronic versions are not practical for large drawings as well as they are not considered official. To be considered official, and to be used at a court, if needed, the documents need to be in paper. Receiving emails which inform about changes in work or in documents and similar helps users to stay up to date however it complicates their work with information overflow.

Personal conflict – the situation in which a user perceives and experiences some characteristics as benefits while some as sacrifices. This situation can occur for a single characteristics as well. Videoconferences save time and effort by reducing travelling in particular as often a ship-owner and a shipyard as situated at distant location. A negative aspect of videoconferences is they might be perceived as problematic in some cultures and when English is not users mother tong what makes communication difficult.

Inter-personal conflict – the situation in which different persons (users) perceive and experience some characteristics as benefits while some as sacrifices. User-to-user interaction through a website might be perceived as impersonal and might create some misunderstandings. On the other hand, it is of benefits for users as it reduces unpleasant personal contact, meaning that users may choose that communication channel in less desired relationships.

Relationship conflict – the situation in which a customer and a seller perception and experience of a characteristic are incompatible i.e. benefits and sacrifices. Insight in the performance of the process of shipbuilding provides a benefit to the ship-owners of a good overview of work which consequently improves their competence in conducting the project. However, at the same time, shipyards might perceive a problem of the process being too transparent by portraying evidently

the delays in construction, which are normal in shipbuilding. That on the other hand decreases the competence of a shipyard.

Stakeholder conflict – the situation in which different stakeholders perceive and experience some characteristics as benefits while some as sacrifices. Stakeholders are parties which have some interests in the website. In the context of a website, these parties are different users such as customers, middlemen, consultants, general public, media and finally the company owing the website (the seller or supplier). The stakeholder conflict was not captured in the cases. It could happen, for example, that a seller might fail to provide on the website external links to a middleman in order to keep website visitors on own website. In that way, the middleman would not realise a potential user traffic on own website and might find such an approach as a negative consequence.

The outlined conflict types carry various implications for website design and website strategies i.e. for how a website will be used. As found, a characteristic can result with conflicting consequences i.e. benefits and sacrifices. In such a situation is more complex for website strategy as it needs to take into account that not all users appreciate particular characteristic and marketing managers have to find the way to balance the sacrifices in some way. They can do that either by manipulating some other website communication characteristics or by additional communication channels.

## **CONCLUSION**

This work in progress elicits how and which website characteristics result in conflicts in perceptions of multiple users in the context of the shipping industry. It defines types of conflicts that may occur in user perceptions of value of websites. The paper extends current understanding of business-to-business websites in the shipping industry by detecting website characteristics which result in conflicts and by proposing ways of resolving the conflicting cases. It makes contributions both to the literature on value and conflicts in business-to-business relationships and to the use of websites in practice. Companies could design better websites and more appropriate website strategies by knowing the website characteristics which might result in conflicts and by applying tactics for conflict resolutions.

The additional aspects could be brought to the study. Shipyards' perceptions were captured through reports from ship-owners not directly from shipyards. Even though ship-owners are in intensive contact with shipyards and are therefore aware of their perceptions, future research is encouraged to involve the other side directly. Further studies could examine dynamics in value conflicts.

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