

## Antecedents of e-loyalty towards online shopping: An empirical analysis of Indian online customers

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### ABSTRACT

*In recent years, online shopping has entered the phase of exponential growth. The use of Internet for shopping and information gathering has become an essential channel. In order to remain competitive, e-retailers need to adopt effective measures to satisfy their customers' needs and wants. This would help them to enhance their customers shopping experience and win their loyalty towards them (Nelson, 2012). Following the same line, the present study aims to examine the factors influencing customer loyalty in an online shopping environment, especially amongst the citizens of developing country like India. Furthermore, this study also examines the impact of online customer's trust, customers' behavioral intention and e-satisfaction on e-loyalty in an online shopping environment. Based on the analysis of the data collected from 207 responses, the authors have presented a model that is based on all such factors and has the potential to influence customers' loyalty towards online shopping. However, the authors have limited the scope of the present paper to antecedents of e-satisfaction only. Overall, the findings of this study would help marketers to formulate and implement effective online marketing strategies, as well as in the decision making process.*

**Keywords: Online shopping, loyalty, e-satisfaction, behavioural intention, customer's trust, technical satisfaction, and emotional satisfaction.**

### 1. Introduction

In order to remain competitive, e-retailers need to adopt effective measures to satisfy their customers' needs and wants. But, customer's behaviour in a virtual environment often seems to be a complex subject as his expectations change with the change in time, and technological advancement. Furthermore, in a virtual environment where next web-store is just a mouse click away, it becomes extensively difficult to understand customer behaviour and take effective measures to attract them to make purchases online and from the same store. Thus, researchers and managers have often acknowledged that the source of competitive advantage is closely related to the long-term relationships between customers and e-retailers (Palmer 2002). Liaw (2013) suggested that the key growth point of online retail would shift from the motivating new customers to purchase online to retain existing customers to make repeat purchases. It is also evidenced that retaining current customers is less expensive in comparison to seek new ones, as usually web-stores retain records of their customers which made personalized marketing possible (Kolter, 2010). To sum up, the loyalty of online customer has emerged out to be one of the essential factor for online business survival and growth. Therefore, the prime aim of this study is to identify and discuss the factors that help e-retailers to win customers loyalty towards them.

Recently, there have been a number of researches investigating the impact of online customer satisfaction on loyalty or patronized behavior towards online shopping. Satisfied customers, with respect to functionality of the web-site, tend to have higher probability to transact online and also possess intention to revisit and re-transact. A loyal customer often seems to be satisfied but vice versa is not true. This indicates that there exists certain other factor also that may influence customers' loyalty. Trust is seen to be one such critical factor in online shopping environment that has impact on customers' loyalty or long term buyer-customer relationship (Lee et al., 2007). As online shopping is web based application, its virtual environment is based on faceless interaction between customers and e-retailer that requires sharing of personal and maybe confidential information, hence this is often termed as risky (Reichheld and Scheffer, 2000). This lack of trust and high perceived risk may cause customers to avoid the e-vendors (Grefen et al, 2003). Further, it is often believed that if you don't feel like doing something than the probability of you doing that particular task is very low. Researchers have also acknowledged the same from the perspective of online customer's behavioral intention. That is, if the customer does not possess positive behavioral intention towards online shopping environment they will be reluctant to experience its environment (Salisbury et al., 2001). Therefore, to gain customers loyalty, their behavioral intentions need to be addressed and understood.

Given this situation it is important for researchers to develop and validate the model that captures the attitudes and feelings of the customers while purchasing online. The present study aims to answer the questions like: How do you measure customer loyalty in the field of online shopping? To what extent the emotional state of customer favours the creation of a long-term relationship between the e-retailer and the customer? What is the significance of customers' trust in online shopping environment? What is the significance of satisfaction on customers' level of loyalty? What are factors ensuring e-satisfaction in online shopping environment? In this context, the objective of this research is to discuss the effect of Trust, behavioural intention and e-satisfaction on customer's loyalty in online shopping environment from the perspective of customers especially from developing countries like India. The researchers also made a modest attempt to formulate and validate an integrated model of online customers' loyalty. For this, a convenience sampling of 207 responses has been collected empirically using survey questionnaires method from various part of India in early 2014.

## 2. Literature Review

The empirical literature has most frequently studied online shopping environment in the notion of behavioral intention to purchase online. Notwithstanding, a review of such studies on building long term relationship with customers in order to win their loyalty has been less researched. As such, our review specifically examines empirically tested models that include one or more loyalty constructs in terms of beliefs in an online vendor. In the study which researched the impact of loyalty on organization's success, (Flint et al., 2011) concluded that customer's loyalty is important especially in online shopping environment where customer acquisition alone is not sufficient to remain competitive. It is often observed that in virtual environment, retaining customer has proved to be a less expensive in comparison to motivating and attracting new (Kolter, 2010). Organizations usually maintain records of their customers, therefore it become easy for them to conduct personalized promotional activities (Reid and Reid, 1993). According to references, loyal customer are usually serve as an information source for other customer and even work as a promotional agent for e-retailers by spreading good words about the web-store (Shoemaker and Lewis, 1999) with respect to any specific product range or even functionality of the web-site. Several antecedents have been proposed by different researchers. Fornell et al., (1996) conducted an empirical research and discovered that customer satisfaction, which is determined by perceived product quality, perceived value and customer expectation, raises customer loyalty and reduces customer

discontent. Following the same lines, Pavlou, (2003) identified customers' trust as one of the prime antecedents of patronage behaviour towards online shopping environment. They stated that customer level of trust vary with the amount they are planning to invest in shopping i.e. they fear high risk and trust less with increases spending. Kassim and Abdullah, (2010) have also notified a positive relationship between customer loyalty, trust and satisfaction. They study trust and satisfaction from the perspective of service quality and vendor's assurance. Further, Interactivity aspect has also been acknowledged as one of the core factor influencing customer's loyalty towards online shopping applications (Srinivansan et al., 2002).

In line with earlier research, it is cited that satisfied customer will probably be more loyal (Zins, 2001). However, ensuring customer experience to be satisfactory or predicting customers satisfactory measures is rather complex. E-satisfaction from the perspective of customer has been studied by Szymanski and Hise, (2000). In their study they found positive relation between factors like convenience, site design and financial security and e-satisfaction. In an online shopping environment, it is observed that building customers trust is one of the biggest hurdles to e-retailers (Rexha et al., 2003) and has been found to be one of the major obstacles to the popularity and adoption of online shopping over traditional offline shopping (Ribbink et al., 2005). Chaudhuri and Holbrook (2001), in their study identified a positive relation between loyalty and continual buying behaviour of online customers. They further notify that loyalty which lead to continual buying behaviour has been created by trust. Many literatures have acknowledged a positive relationship between customers' behavioral intention and e- loyalty. As it is notify that if the customer does not possess positive behaviors towards online shopping environment they will never get acquaintance with its environment and will not be able to form any opinion about it (Salisbury et al., 2001). The literature review also witnessed that perceived ease of Internet use positively influence customers behavioural intention towards online shopping environment (O'Cass and Fenech, 2003). In their study, Brock and Sulsky, (1994), found that belief about perceived benefits from the information technology, significantly influence customers' intention towards performing a particular behavior.

### **3. Operationalization of the Constructs**

A questionnaire instrument with a 10-point Likert scale ranging from 'strongly disagree/ absolutely untrue (1)' to 'strongly agree/absolutely true (10)' was used for measure the level of significance of different constructs. These constructs include loyalty, behavioural intention, customer's Trust and E-satisfaction which are briefly discussed below:

#### **3.1 Customer's Loyalty:**

Loyalty can be defined as a continual relationship between customer and the brand/ firm/ channel (Ltifi and Jamel-Eddine, 2012). From the perspective of online customers and online shopping environment, e-loyalty can be viewed as customer's favourable attitude towards internet service provider or a web-store in particular resulting in continual purchases over time (Keller, 1993; Anderson and Srinivasan, 2003). Lee et al., (2000) states that irrespective of efficient technical and managerial action, sooner or later the value of business will become zero if none of the customers willing to revisit the web-store. Thus, customer's loyalty is often considered to be an important source of success for any customer centric business (Crosby and Johnson 2005). Following the discussion, the present study identified customer's loyalty has positive impact on an organizations growth and success. As per the literature review, number of studies identified different factors pertaining to customer's loyalty. Findings from them suggests that customers loyalty towards online shopping channel can be determined by level of trust (Schlosser et al., 2006); degree of satisfaction (Palmatier et al. 2006; Shankar et al., 2003); interactivity level between buyer and seller (Schlosser, 2000); usefulness; perceived value (Brock and Sulsky, 1994) which in turn positively influence their intention towards online shopping environment. Keeping in view of the

above the authors identified e-satisfaction, behavioural intention and customer's trust as the three major factors affecting customer's loyalty towards online shopping environment.

### **3.2 Behavioural intention**

In an online shopping environment, behavioural intention of online customer is viewed from the angle of their buying behaviour i.e. what are the beliefs they possess about the particular shopping environment and their efficacy with that. It has been often noticed that an individual's behavioural intention has a positive impact on his/her decision to perform the intended action or behaviour (Ajzen, 1991). Hence, customer's intention to purchase online is often influenced by their views regarding online shopping channel (Belanger et al., 2002), their willingness to perform a specified behaviour online (Salisbury, W.D. et al., 2001) and by their past behaviour or experience with online shopping (Cho, 2006). The literature also indicates perceived ease of Internet use (O'Cass and Fenech, 2003); general attitude towards information technology (Brock and Sulsky, 1994); belief about benefits from the information technology (Brock and Sulsky, 1994); and user satisfaction from website (Wixom and Todd's, 2005), as some of the significant factors influencing the customer's intention to purchase products online. In many literatures, customers' behavioural intention is also considered as a standard of continuing customer's purchasing behaviour in the future, as if the customer does not possess positive behaviours towards online shopping environment they will never get acquaintance with its experience and will not be able to form any opinion about its efficacy. Keeping in view of the above, the authors have identified customer's behavioural intention as one of the core antecedent of loyalty from the perspective of individual beliefs and attitude.

### **3.3 Customer's Trust**

E-trust or online customer's trust can be viewed as the degree of confidence and sense of security that customers possess over online shopping environment (Gefen et al., 2003), so that they can make transaction or share their sensitive information comfortably (Bart et al., 2005). In an online shopping environment, it is observed that building customer's trust is one of the biggest hurdles to e-retailers (Rexha et al. 2003) and has been found to be one of the major obstacles to the popularity and adoption of online shopping over traditional offline shopping (Ribbink et al., 2005). Since customers lack direct contact with the retailer or sales personnel, they perceive high risk in sharing sensitive personal information, such as credit card numbers, in order to complete the transaction. Therefore, Trust appears to be especially important for creating loyalty in online shopping environment (Kim and Benbasat, 2003). Lee et al. (2007) also indicated that trust leads to loyalty. Researchers have also identified a positive relationship between customer's trust and loyalty, in terms of increased spending (Pavlou, 2003), and intentions to purchase (Kim et al., 2008) or repurchase. Following the above discussion, the authors identified trust from the perspective of information quality and personalised features as one of the major antecedent of loyalty.

### **3.4 E-Satisfaction:**

Satisfaction can be defined as customer's evaluation of the degree by which their expectations from the system/product matches with its actual performance (Oliver, 1999). The higher degree of satisfaction in turn influences customer's online shopping attitudes, and purchase behaviour positively, which in contrast is negatively associated with dissatisfaction (Ho and Wu 1999; Jahng et al., 2001). Thus, if the customer is satisfied purchasing online, the probability of him/her purchasing online again will increase considerably. Following the above discussion, the factors impacting online customer's satisfaction is of great importance to researchers and the e-sellers (McKinney et al., 2002). Satisfaction is closely related to service quality and consists of both a behavioural dimension created by experience, as well as a mental dimension, created by worked up attitudes (Oliver, 1999). Overall, prior studies indicate that satisfaction toward an e-retailer

depends primarily on customers' evaluation of performance on various online store attributes like website design, navigation structure, and graphic style factors (Montoya- Weiss et al., 2003; Szymanski and Hise 2000); convenience (Szymanski and Hise 2000); information quality (Shankar et al., 2003; Park and Kim 2003); communication, user-friendliness (Wagner and Rydstrom 2001); security and privacy (Park and Kim, 2003; Szymanski and Hise 2000; Wagner and Rydstrom 2001); perceived efficiency and effectiveness, emotions and thoughts arising from the usage (Ferreira and Pithan, 2005). Of the many other features discussed, the authors selected technical satisfaction and emotional satisfaction as the key factors to ensure e-satisfaction which in turns enhance their loyalty towards online shopping.

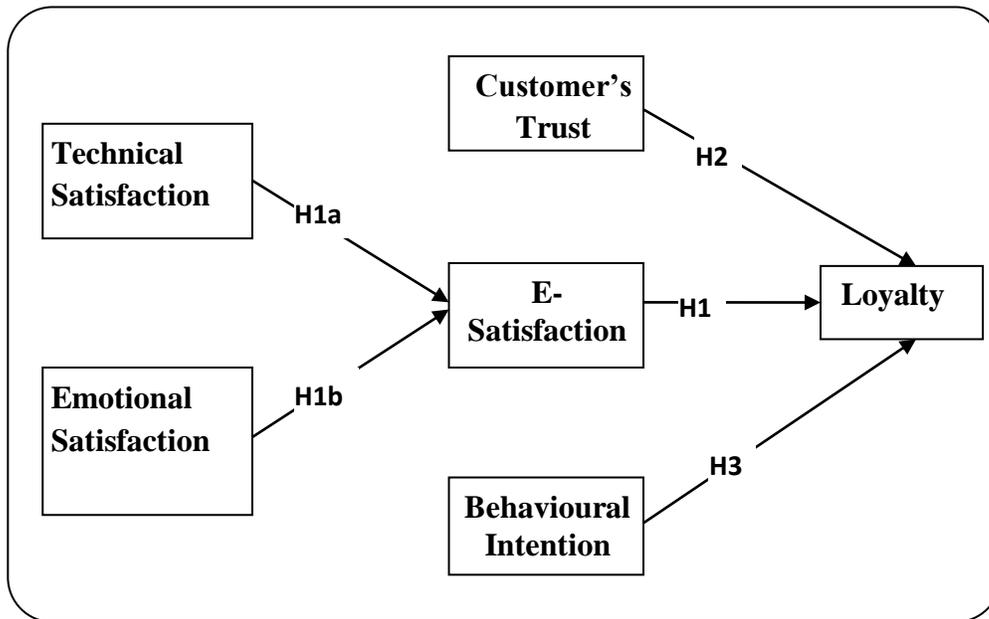
**3.4.1 Technical Satisfaction:** The technological factors that deal with the design and smooth functionality of the website greatly influence online customer's satisfaction level. As online customers are primarily dependent upon the website information as a replacement of sales personnel (McKinney et al., 2002), therefore the quality of information provided by retailers, and design elements of the Website such as ease and fun of navigation (Wolfenbarger and Gilly, 2003) play a vital role in influencing customers to purchase online which in return results in a satisfied customer. Researchers have also examined site design and financial security displayed (Szymanski and Hise, 2000); and simple transaction process (Buskin 1998) from customer's perspective as some of the major factors that greatly affect online customer's satisfaction level. Keeping in view of the above the authors identified transaction process, site navigation and order tracking as some of the basic factors affecting customer's technical satisfaction level which in turn help to build a satisfactory experience with the website or online shopping channel.

**3.4.2 Emotional Satisfaction:** Typically a person choose online shopping channel to save time as he/she may have either weird lifestyle or they want to save time or travelling hassle (Bellman et al., 1999). Therefore it become more important to make the overall shopping experience convenient to the customer in terms of ease of finding a product, time spent on shopping, post purchase service, complete contact information, and minimization of overall shopping effort (Bellman et al., 1999). Prior research on online satisfaction evaluation indicates that hedonic value (Jones et al., 2006); affective responses arising from evaluation of the outcomes of product/service usage (Oliver, 1989; Weiner, 1986); information quality (Ghasemaghjaei and Hassanein, 2013); benefits and advantages of performing web-based online transaction (Teck, 2002) are some of the important factors that result in positive and healthy experience with online shopping channel or e-shopping. Following the above discussion, the authors identified time and effort reduction, convenience and efficiency as some of the basic factors affecting customer's emotional satisfaction level which in turn help to build a satisfactory experience with the website or online shopping channel.

#### 4. Research Model

Based on the above discussion, the authors made a modest attempt to propose a research model as shown in figure 1 below. The literature review generally considers customer's past experience as an antecedent to determine the customer's level of loyalty towards online shopping channel. Our model offers a distinct categorization of *customer's loyalty* as based on three major sub-constructs namely: *e-satisfaction, customers' trust and behavioural intention*. Further the authors have viewed *e-satisfaction* from the perspective of *technical satisfaction and emotional satisfaction*.

FIGURE 1. A SCHEMATIC DIAGRAM OF THE RESEARCH MODEL



## 5. Research Hypothesis

Based on the literature review and the proposed model, a series of testable hypotheses were developed. To validate the significance of proposed research model and analyse/depict the relationships between the various factors identified in the study, following hypothesis were set and tested.

**H1:** *E-satisfaction* of customers associated with online shopping environment has the potential to influence level of customer's *loyalty* in online shopping environment.

**H2:** *Customer's Trust* associated with online shopping environment has the potential to influence level of customer's *loyalty* in online shopping environment.

**H3:** Customer's *Behavioural Intention* associated with online shopping environment has the potential to influence level of customer's *loyalty* in online shopping environment.

**H1a:** *Technical Satisfaction* of customers associated with online shopping environment has the potential to influence their level of *E-satisfaction*.

**H1b:** *Emotional Satisfaction* of customers associated with online shopping environment has the potential to influence level of *E-satisfaction*.

## 6. Sample Selection And Methodology

To collect the perception of customers to be loyal towards online shopping channel, a survey to identify factors influencing customer's loyalty was administered in the beginning of the year 2014. However, prior to the final distribution, the questionnaire was pre-tested with 25 respondents having high level of adoption of online shopping. Based on their feedback, the questionnaire was checked and improved. Both online and offline methods were used to collect the responses from target group belonging to different age groups and of different educational background from various states of India. The questionnaire instrument consisted of 3 sections. The *first section* was designed to extract online customers' demographic profile. The *second section* was designed to ask

respondents to rate questions related to attributes having potential to influence online customers loyalty on a ten-point Likert scale ranging from 'strongly disagree/absolutely untrue (1)' to 'strongly agree/absolutely true (10)'. The *last section* consisted of overall perception of the respondents regarding the major factors under which the questions in section two were grouped. In total about 250 responses were received and of which around 207 responses were filtered to be complete and fit for further analysis. Hence, the response rate was about 80 percent.

Data in this study was analysed using Statistical Package for Social Science (SPSS) Version 20.0. Firstly the reliability test of scales was performed using Cronbach's alpha test. Then the linear regression model was used in order to study the significance of independent variables influencing dependent variable i.e. loyalty. The proposed model (as specified in figure 1), used loyalty as dependent variable and customer's trust, customers' behavioural intention and e-satisfaction as independent variables. The model also highlights the significance of e-satisfaction from the perspective of its antecedent's technical satisfaction and behavioural satisfaction. The regression analysis was carried out on the data collected. Finally the model obtained was duly tested.

## 7. Demographic Characteristics Of The Respondents

In order to find the relationship between the demographic characteristics and the customer's loyalty towards online shopping environment, data on the various characteristics was analysed. The aim behind selecting the characteristics was to have a fair distribution of the sample survey with respect to sex, age, occupation, monthly income and educational qualification. Since Internet usage has often been cited as one of the influencing factors in online shopping channel, therefore care was taken to collect data regarding the frequency of Internet usage and the purpose for choosing the virtual electronic medium for shopping.

The descriptive statistics of the respondents' demographic characteristics were analysed and presented in Table 1.

**Table 1. Demographic profile of the respondents**

Demographic characteristic		Frequency	Percentage
<b>Sex</b>	Male	87	42
	Female	120	58
<b>Age</b>	Below 20	33	15.9
	Between 20 and 25	66	31.9
	Between 25 and 30	43	20.8
	Between 30 and 35	39	18.8
	Above 35	26	12.6
<b>Occupation</b>	Private sector/MNC	68	32.9
	Govt sector/PSU/Banks	25	12.1
	Students/Non earning	101	48.8
	Businessman	13	6.3
<b>Educational qualification</b>	12 <sup>th</sup> or less	41	19.8
	Graduate	79	38.2
	Post graduate	32	15.5
	Professional degree	55	26.6
<b>Monthly income</b>	Non earning	100	48.3
	Less than 50,000	26	12.6
	Between 50,000 and 1,00,000	47	22.7
	More than 1,00,000	34	16.4
<b>Frequency of internet usage</b>	Daily less than 2 hours	65	31.4
	Daily more than 2 hours	92	44.4
	Weekly	20	9.7
	As and when required	30	14.5
<b>Purpose to go online</b>	For checking emails	6	2.9
	For social networking sites	19	9.2
	For information gathering	76	36.7
	For online shopping	106	51.2
	Apparels/Accessories/ Sports	80	38.6

As can be observed from Table 1(above), the sample was fairly diversified in respect of the attributes identified. The number of male respondents (42%) and female respondents (52%) are comparable which can account to an impartial feedback from both the perspectives. Almost three fourth of the sample respondents fell within the age group of 20-35 years. This clearly indicates that technology acceptance is much more prevalent among young people. This included almost 20% of young professionals and experienced professionals each. All of them have minimum education level of high school or equivalent. About 40% of them have done graduation and around 40% of them have master's degree or some professional course. As regards to occupation, almost one-third of the respondents belonged to private sector or working in MNC and only 12% of the respondents belonged to government sector.

Majority of respondents use Internet quite frequently. Around 75% of the respondents use Internet daily; among then 45% use Internet for more than 2 hours a day. In contrast to frequent Internet

users only 14% of the respondents go online as and when required. Very few of the respondents go online for social networking sites (9%) or checking emails (3%) only. 51% of the respondents go online to shop and around 37% of the respondents go online for information gathering or e-learning.

## 8. Reliability

Reliability can be defined as the degree to which a person or system perform consistently in routine as well as unexpected circumstances. Reliability of the proposed model was tested by calculating the coefficients Alpha for the constructs of intention to transact (see table 2 (below) for a complete list of reliability coefficients). As can be seen from Table 2, the composite reliability score for each of the constructs was found to be above 0.70 which is considered to be the acceptable critical value for reliability (Suh and Han, 2003). Further a composite reliability of all the factors was also calculated and was found to be 0.924.

**Table 2. Reliability of measurement items**

<b>Constructs</b>	<b>Cronbach's alpha (&gt;0.7)</b>
Loyalty	.752
E-satisfaction	.718
Technical satisfaction	.868
Behavioural satisfaction	.825
<b>Composite</b>	.924

## 9. Results And Interpretations

The purpose of regression analysis is to investigate the relationship between the independent variables and the dependent variable and to test the fitness of the model so developed. As explained in the above section, the model described customer's loyalty to be dependent on e-satisfaction, customer's trust and his/her behavioral intention. Hence, the results of the data analysis primarily relate to factors influencing customer's loyalty towards online shopping. Further, the present paper limits its scope or analysis to factors influencing e-satisfaction of online customers. The results with respect to the hypothesis (stated above) tested have been discussed in the following section.

### 9.1 Factors influencing customer's loyalty towards online shopping.

In order to identify various factors that have significant influence on the loyalty of online customers E-satisfaction, Customer's Trust and Behavioral Intention were regressed against the dependent variable loyalty as perceived by the respondents. According to the results (shown in table 3) obtained, all the factors were found to be statistically significant ( $R^2=.539$ ). The adjusted  $R^2$  obtained is 0.532 indicating that around 53.2% of the variation in customer's loyalty towards online shopping channel could be collectively explained by the identified factors. This is often statistically accepted for real time data. Further, F-test outcome is 79.031 (sig=0.000) obtained is highly significant, so the model fits the data.

**Table 3. Coefficients<sup>a</sup> of regression analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.157	.427		7.389	.000
E-Satisfaction	.455	.106	.263	4.291	.000
Customers' Trust	.198	.057	.220	3.504	.001
Behavioral Intention	.364	.057	.388	6.422	.000

a. Dependent Variable: Loyalty

The results clearly imply that customer's e-satisfaction contributes most significantly towards gaining customer's loyalty towards online shopping channel. Customer e-satisfaction, as perceived by the authors, is based on elements like past experience in terms of transaction; product and information quality; perceived risks; ease of use; and usefulness of site. Hence these elements influencing the e-satisfaction also contribute towards loyalty. Customer's behavioural intention to perform a specified action was found to be next significant contributor to gain customers' loyalty. This indicates that a customers' intention to go online is often related to his/her lifestyle, his/her socially accepted status, and his/her acceptance and adoption of technology. Thus if the customer posses positive beliefs and favourable attitude towards online shopping environment then he/she is more likely to be loyal towards it. The various policies displayed on the site relating to security, privacy, dispute resolution is found to directly impact customers trust on the web-site and results indicate that customers' trust also contributes towards gaining customers' loyalty. Thus the results support hypothesis H1, H2 and H3.

## 9.2 Factors influencing satisfaction level of online customers

In order to identify various factors that have significant influence on customer's level of satisfaction in the virtual environment, technical satisfaction and emotional satisfaction were regressed against the dependent variable e-satisfaction as perceived by the respondents. According to the results (shown in table 4) obtained after liner regression, both the factors were found to be statistically significant ( $R^2=.588$ ). The adjusted  $R^2$  obtained is 0.584 which indicating that around 58.4% of the variation in customer's satisfaction from online shopping channel could be collectively explained by the identified three factors. Further, F-test outcome is 145.775 (sig= .000) obtained is highly significant, so the model fits the data.

**Table 4. Coefficients<sup>a</sup> of regression analysis**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-7.181E-017	.045		.000	1.000
Technical satisfaction	.307	.062	.307	4.914	.000
Emotional satisfaction	.522	.062	.522	8.364	.000

b. Dependent Variable: E-Satisfaction

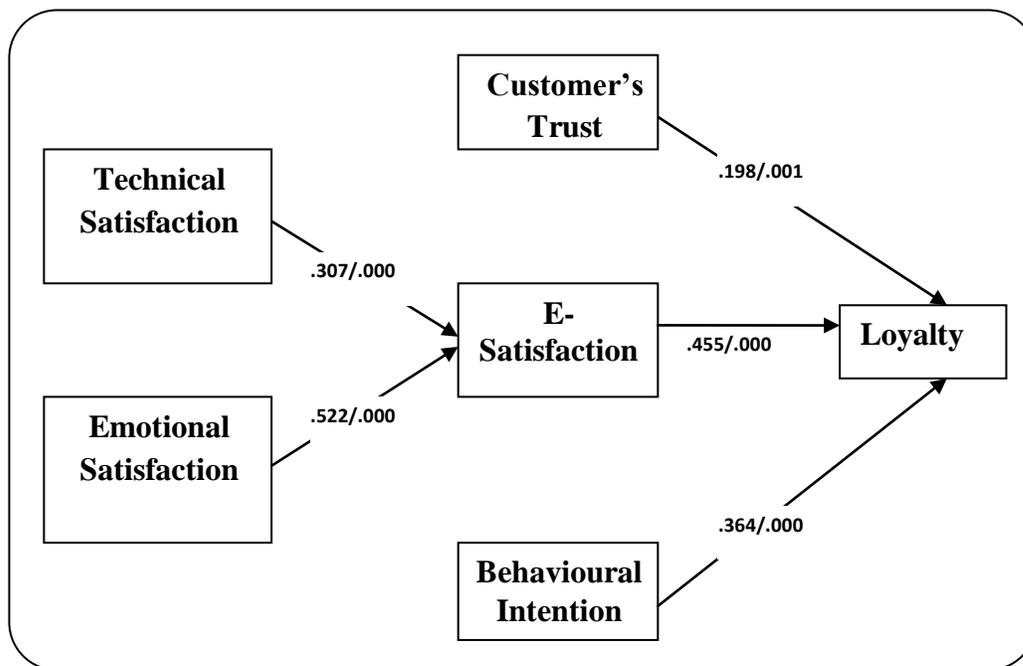
The results indicated a higher contribution of emotional satisfaction vis-à-vis technical satisfaction towards customer's e-satisfaction. This indicates that a customer gives higher preference to convenience, saving of time, increased efficiency, enjoyment and services offered than the transaction process of online shopping. This would indicate that a user's satisfaction from online

shopping channel would largely be motivated by the perceived usefulness of the site. Thus, the results support the hypothesis H2a, and H2b.

## 10. Summary Results and Discussions

In the earlier section of the paper the authors had proposed a research model based on customer's perception regarding the various factors influencing customers' loyalty. In an attempt to identify the significance of customer's loyalty to online shopping environment, contribution of factors namely e-satisfaction, behavioural intention and customers' trust (in the specified order) were hypothesised. The authors further made an attempt to identify the key antecedents of e-satisfaction. They found emotional satisfaction and technical satisfaction as core constructs of customer's e-satisfaction in virtual environment. The analysis of the data so collected empirically validates the proposed research model.

FIGURE 2. THE RESEARCH MODEL



The results so obtained after in depth analysis of the proposed model indicate a positive relation between customers' e-satisfaction, trust and behavioural intention towards loyalty in online shopping environment. It is found that, if the customer is satisfied purchasing online, then the probability of him/her being loyal will increase significantly. A customer is largely satisfied by the product quality and range specified by the site and various services offered. He is also found to be attracted towards various discount schemes and other pleasure activities associated with the shopping experience. His/her ease of use and access of the site also impacts the satisfaction achieved while conducting the online transaction. He/she is often found to be more concerned about features like ability to track order, the policies to secure the transaction and protect the confidential information given by him/her over the site. The customer, during the survey, was found to be influenced by social norms and often transacts online assuming it to go with his/her social status and lifestyle. Customers were also found to have indulged in online shopping motivated by the social upcoming trend. In addition to that, it has also been found that customers'

behavioural intention also plays a vital role in gaining their loyalty. A customer who possesses positive beliefs and favourable attitude towards online shopping is likely to be more loyal towards it. The results of this study have also identified the importance of customer's trust over e-retailer or web-site. Due to absence of physical entity/presence between customers and e-retailer in virtual online shopping transactions, it became more difficult for the customers to trust the e-retailers. This leads to an increase in perceived risk among customers while sharing their personal and confidential information over the site during the shopping transactions. Hence, in order to build loyalty among online customers, it is essential to incorporate features that enhance trust, e-satisfaction and behavioural intentions of the customers.

## 11. Implications And Scopes

Overall, the findings of this study have number of implications for the marketers or the e-retailers to formulate and implement effective online marketing strategies to establish long term customer-retailer relationship. Retaining the present customer base is found to be far less cost consuming than attracting new online customers. Hence, for the companies to remain competitive in online shopping environment, they must formulize effective policies that not only understand online customer behavior but act as a tool to gain their loyalty. A satisfactory experience during the online transactions is found to develop a positive attitude towards online shopping and thereby build loyalty. A customer is more likely to revisit the site where he/she has experienced a convenient and time saving environment with ease to navigate transact and track orders.

In the present study, the authors have also found that customers' trust and behavioural intention played a key role in the success of any online retailers. To build the customer trust and help users to possess a positive behavioural intention towards online purchasing, e-retailers need to incorporate features in their websites/ web-stores that offer similar cues as in the physical world. This would include comprehensive information regarding the products, their company, and their policies and sending personalized e-mails or recommendations to the customers on the basis of their past purchase and surfing history. This helps in building loyalty.

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