

# Electronic Commerce: E-Retailing

## How to get customer loyalty

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# What makes customers stay loyal

# Electronic Commerce: E-Retailing

## How to get customer loyalty

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## Management Summary

### Introduction

Electronic commerce started in the early 1990's, before that time it was prohibited for commercial use and only accessible for researchers and academics. The rapid grow of internet users triggered businesses to start selling products and services online. These businesses can be divided according the stakeholders that are involved. The most commonly used are business-to-business(B2B), business-to-consumer (B2C), consumer-to-business (C2B) and consumer-to-consumer (C2C). The businesses that first started selling their products and services online were seen as visionaries and heroes. The potential for these businesses were seen as huge and venture capitalist shoved money into these businesses before they had proven anything. In the year 2000 many businesses had to shut down their virtual doors. The reasons for this are numerous, some businesses had poor fulfillment systems other had poor strategic fit. The research in online buying behavior can be general divided into two streams. The first stream involved the initial acceptance of online shopping and the other stream focusses on repurchases intention and customer loyalty. Loyalty has been identified as a key path to profitability, but online loyalty is hard to reach because of low search costs and websites can easily be replicated. Since loyalty is essential for online retail shops this research focusses on online loyalty.

The objective of this thesis is to identify the factors that influence a consumer to become loyal to an online shop. To address this objective the main research question is "What are the factors that influence a consumer to become loyal to an online retailer?".

### Research Issue

The parent theories of the attitude structure and the consumer decision are used to build the research model. The attitude model consist of three components the cognitive, affective and conation component. Cognitive involves the belief, thoughts and ideas of a person about an object based on prior or vicarious knowledge or recent experience-based information. Affective involve a person feeling state or emotions towards the object and last is conative, which is the behavioral intention towards the object. Because intention not always leads to action this is also included in the attitude structure. Loyalty is placed in the conation and action component measuring the attitude that result in repeat buying behavior. The factors that influence a consumer can be divided into marketing controllable and marketing uncontrollable factors. This separation is used in the cognitive component.

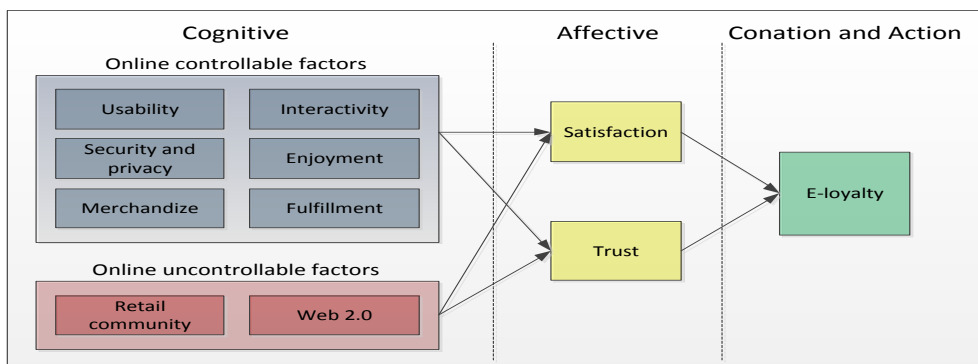


Figure 1: The research model

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## *Method*

This research uses a quantitative research method. The questions were distributed using an online survey. The unit of analysis are Dutch online consumers who have purchased a physical product from an online retail store. Because the fulfillment is different for downloaded products than for physical products. The sampling technique that has been used is a snowball effect by using e-mail and social media Twitter and Facebook. The website Frankwatching.com, which is an independent online marketing/multimedia platform, was also contacted and they asked their followers and members to participate in the research using twitter and LinkedIn.

## *Analysis of data*

The survey was completed by 133 respondents and almost as many woman as men (50,8%). Most of the respondents are young (17-25) and a large percentage have accomplished higher vocational or university (80,3%). This research uses multiple regression analysis. All the hypotheses are supported. Further investigation showed that only a few factors are significant within each regression. Only the cognitive marketing factors merchandize and fulfillment significantly impact satisfaction. The cognitive marketing factors interactivity, enjoyment and merchandize significantly impact trust. Trust and satisfaction both significantly impact loyalty.

## *Conclusion*

The cognitive marketing factors seems to be more important than the marketing uncontrollable factors in influencing the satisfaction and trust of the consumer. For online retailers it is important to keep the consumer satisfied and this can be influenced by the merchandize and the fulfillment. Also should the online retailer influence the trust the consumer have in them. Trust can be influenced by interactivity, merchandize and enjoyment. Both trust and satisfaction influence loyalty. The results supports the attitude structure. The cognitive factor did influence the affective factor which in turn did influence the conation and action factor.

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## 1 Introduction

The motivation for conducting this research is the interest of the researcher in online shopping. It was noticed by the researcher that most of the purchases he made online was conducted in a few online shops. The researcher was triggered by this behavior to find out what influence a consumer to purchase at a particular online shop.

First the overall field and the history of e-commerce will be covered with the rise and fall of the early online shops. Then the theoretical background were previous research is summarized will be discussed and the research gap that need further investigation will be identified. Subsequently the research question is formulated to address this research gap. In the last part the research method is explained which helps the researcher to find reliable and valid answers.

### 1.1 Research background

E-commerce as we know it today didn't start until the early 1990s when the commercialization of the Internet started (Ranganathan and Ganapathy, 2002; Ahn, Ryu and Han, 2004). Before 1991 the commercialization of the Internet was prohibited and it was the domain of academics and researchers (Laffey, 2004; OECD, 1999). Tim Berners-Lee, the British computer science and MIT professor, invented the World Wide Web (WWW) in 1989 and wrote the first web client and server in 1990. This technology allowed users to view web pages in a graphical format. Tim Berner-Lee founded the World Wide Web Consortium(W3C) in 1995 and is responsible for the specifications, guidelines, software and tools to lead the web to its full potential (Berners-Lee, bio).

Since then E-Commerce has impacted the way that businesses operate and consumer's shops. The Organization for Economic Co-Operation And Development(OECD, 1999) acknowledge e-commerce as a new way of conducting business and it has the potential to radically alter economic activities and the social environment(OECD, 1999. p9). The OECD defines E-commerce as all business activities that generate value within a firm and with suppliers and customers. These business activities must occur through networks which uses a non-proprietary protocol that is established through an open standard setting process such as the internet (OECD, 1999, pp.28). Kalakota and Whinston (1997) refer to a range of different perspectives for e-commerce, namely: communications perspective, business process perspective, service perspective and online perspective. The online perspective refers to the selling of products and services online. This can be further divided according to the stakeholders involved. The most commonly used are business-to-business (B2B), business-to-consumer (B2C), consumer-to-business (C2B) and consumer-to-consumer (C2C). This research focuses on the B2C.

The rapid grow of internet users triggered the business community to its potential for communication and sales (Laffey, 2004). Entrepreneurs that embrace the Internet were seen as heroes and visionaries (Finkelstein, 2001). Venture capitalists and other financiers have shoveled cash in the dotcoms way, before businesses had proven anything (Wind, Mahajan, and Srinivasan, 2002; Finkelstein, 2001). Before selling a single item of clothing there was an investment of £80 million in Boo.com. (Lanxon, 2008, p.3). Laffey (2004) names three factors that led to the rise of the dot.com: commercialization of the Internet, lowering entry barriers through the Internet and venture capital.

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In the year 2000 many internet businesses had to shut down their virtual doors as their investors began to demand profits (Wind, Mahajan, and Srinivasan, 2002). According to Porter (2001) companies have been confused by distorted market signals and poor strategy. Laffey (2004) recognized overvalued stocks, end of the technology and poor financial judgments as the reasons that burst the bubble. In the case of Fingerhut, which is a mail-order telephone order (MOTO) company, they initially failed after entering E-commerce in 1999 (Phan, Chen, Ahmad, 2005). Fingerhut made some strategic changes during the deployment of E-Commerce. First they abandon their competitive advantage in the deployment, by focusing on different consumers. Second their fulfillment system were inadequate, there was a lack of integration between the front and the back office. The last strategic weapon which was the data mining capabilities was not used on the online consumers. Also Compaq struggled with using the Internet to sell their products online. According to Christensen (2002) organizations should look at their resources, processes and values. Then examine if the Internet is disruptive or sustaining to the internal operation. For Compaq it was disruptive and for Dell it is sustaining. Also the lack of managerial experience and expertise caused internet companies like Poweragent to go bankrupt. Spending the cash at a high rate and having problems with the strategy. As Weitz (2006) summarized "The prospects for electronic retailing were so bright that companies invested, and lost, billions of dollars in Internet retail".

Despite the initial failing of some online shops in meeting the demands of the consumer, the online marketplace is still growing today. According to a press release of Forrester Research(2010<sup>1</sup>) the online retail in the US and Western Europe will show a double-digit grow over the next five years of respectively 10 and 11 percent to reach nearly \$249 billion and \$114 billion, despite the more mature phase in its evolution. In the Netherlands the turnover rose to €8,2 billion in 2010, which is an increase of 11 percent. Especially the buying of products increased with 16 percent. Consumers have placed more orders, but are spending less per order (thuiswinkel.org, 2011<sup>2</sup>). It is expected that the turnover will pass the €9 billion border in 2011.

This section shows that initially there were great expectations for businesses to move online and sell their services and products. Soon after the first shops opened their virtual doors many of them had to shut down. The reasons vary from the lack of good strategy to technological problems. The virtual marketplace is despite the initial problems still growing with double digits today.

## 1.2 Theoretical background

Consumers have become aware of the benefits of online shopping, such as more convenience, broader selection, pricing and fun (Alba et al., 1997; Keeney, 1999; Wolfinbarger and Gilly, 2001; Bhatnagar and Ghose, 2004; Weitz, 2006). Besides these benefits consumers also recognize the risks that are involved in online shopping, like security and privacy concerns (Hoffman, Novak and Peralta 1999) which is still the case in 2011<sup>3</sup>.

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<sup>1</sup> <http://techcrunch.com/2010/03/08/forrester-forecast-online-retail-sales-will-grow-to-250-billion-by-2014/>

<sup>2</sup> <http://www.thuiswinkel.org/nederlandstalig/1-website/-nieuw/over-thuiswinkel.org/persberichten/2011/maart/online-consumentenbestedingen-stijgen-naar-82-miljard>

<sup>3</sup> [http://www.digitalcenter.org./pdf/2011\\_digital\\_future\\_final\\_release.pdf](http://www.digitalcenter.org./pdf/2011_digital_future_final_release.pdf)

Research in online buying behavior can be general divided into two streams. The first stream involved the initial acceptance of online shopping and online retailers and has investigated factors that influence the online buying behavior through attitude, intention, or actual buying. It focuses mainly on the pre purchase and purchase phase (Ranganathan and Ganapathy, 2002; Yoon, 2002; McKnight, Choudhury and Kacmar, 2002; Ahn, Ryu and Han, 2004; Chen, Gillenson and Sherrell, 2004; Constantinides and Geurts, 2005; Ahn, Ryu and Han, 2007; Ha and Stoel, 2009; Wells, Valacich and Hess, 2011) or the success of a website using webmasters of fortune 1000 companies (Liu and Arnett, 2000).

The second stream of research focuses on repurchases intention and customer loyalty. This line of research focus on the post purchase phase and attempts to understand which factors ensures customers to return to an online shop (Anderson and Srinivasan, 2003; Liao, Palvia and Lin, 2006; Casaló, Flavián and Guinalú, 2008; Kim, Jin and Swinney, 2009; Kim, Ferrin and Rao, 2009; Jin, Park and Kim 2010; Fuentes-Blasco, et al., 2010; Caruana and Ewing, 2010; Jin and Kim, 2010; Yang, Cheng and Chan, 2010; Christodoulides and Michaelidou, 2010; Thirumalai and Sinha, 2011; Wen, Prybutok and Xu, 2011; Ghane, Fathian and Gholamian, 2011; Chen, Huang and Chen, 2011).

The researchers that focused on repurchase intention and online loyalty underline the importance of trust and satisfaction of consumers. Chaffey (2007) stated “We need to analyse the drivers of satisfaction amongst these e-customers, since satisfaction drives loyalty and loyalty drives profitability” and “quality of service is crucial in determining satisfaction and loyalty”. Feinberg, Trotter and Anton (2000)<sup>4</sup> found that 68 percent leave a company because of poor service experience. Trust and satisfaction can be influenced by the website of the retailer and the delivery service and product quality, but also by traditional means like reputation. Literature that is used in the online buying behavior is also needed in customer loyalty research.

Constantinides and Fountain (2008) have built a model (figure 2) which is based on based on Kotler (2003) that displays the factors that influence a consumer in their decision process. It can generally be divided in marketing controllable factors and uncontrollable factors, which are outside an online retailers reach. The factors A and B can be considered as factors influencing a consumer in the traditional buying process (Constantinides and Fountain, 2008). As Constantinides, Lorenzo and Gómez (2008) noted the traditional marketing media and practices becomes less effective in the online shopping environment. Since this study focuses on online retailing, the factors C and D are investigated further. Factor C, are the online controllable factors and factor D are the online uncontrollable factors.

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<sup>4</sup> [http://searchcio.techtarget.it/whitepaper\\_library/customer\\_contact\\_center.pdf](http://searchcio.techtarget.it/whitepaper_library/customer_contact_center.pdf)

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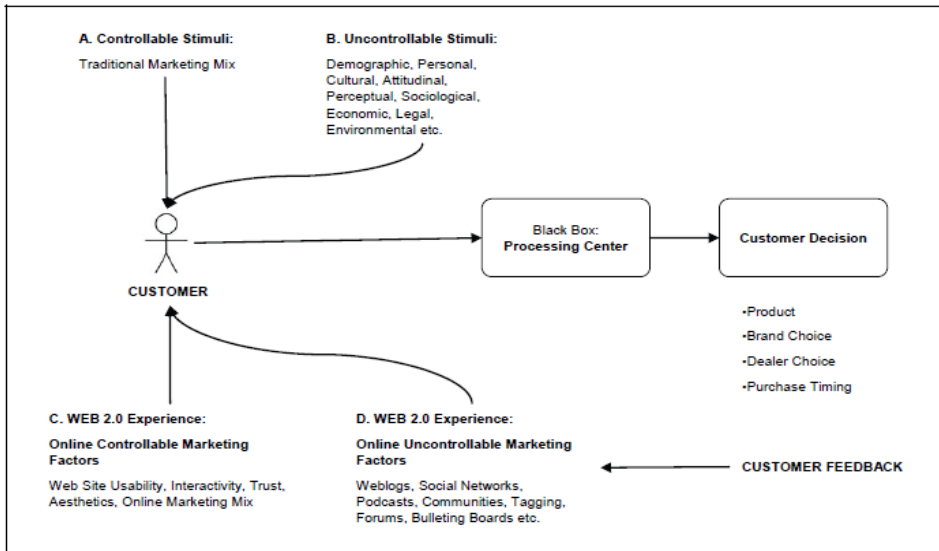


Figure 2: The consumer decision model (Constantinides and Fountain, 2008)

For online shops it is imperative to retain customers and gain their loyalty, because loyalty has been identified as a key path to profitability (Srinivasan, Anderson and Ponnayolu 2002; Chaffey, 2007; Christodoulides and Michaelidou, 2010). Customers who are loyal are frequently referring new customers and are even willing to pay a higher price in order to stay with the same online retailer. They also reduce costs because retaining customers cost less than acquiring customers and when referred customers have problems they tend to go to the people who referred them (Reichheld and Scheffer, 2000; Srinivasan, Anderson and Ponnayolu, 2002). Over a buying lifetime a loyal customer can be worth up to ten times as much as an average customer (Srinivasan, Anderson and Ponnayolu, 2002).

Customer loyalty in online retailing is challenging, because of three undermining forces. First the reductions in consumers search costs, competitors are only a mouse click away. Secondly lower barriers to entry, websites can easily be replicated. Thirdly the reduced distinctiveness of firms, because of the two forces above new features can quickly be imitated (Vatanasombut, Stylianou and Igbaria, 2004). However research shows that customers tend to be loyal online, because customers are seeking convenience and do not want the hassle of multiple online retailers (Reichheld and Scheffer, 2000). Indeed Jin and Kim (2010) found that customers of pure e-tailers are more loyal than customers of multichannel retailers. Because customer loyalty is imperative for online retailers to become and remain profitable and this study is conducted in a more mature phase of e-commerce (Wen, Prybutok and Xu 2011), the focus of this research is customer loyalty (figure 3).

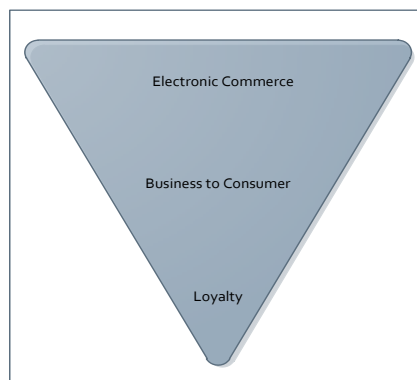


Figure 3: The research focus

## 1.3 Research problem

As seen in the previous section, customer loyalty is essential for online shops in order to become profitable over a long period. This research aims to identify the factors that influence customer loyalty. Figure 4 shows the objective of this research and to address this objective a main question is formulated. To make the main question manageable it is divided into three sub questions and the sum of the sub question will give answer to the main question and reach the objective.

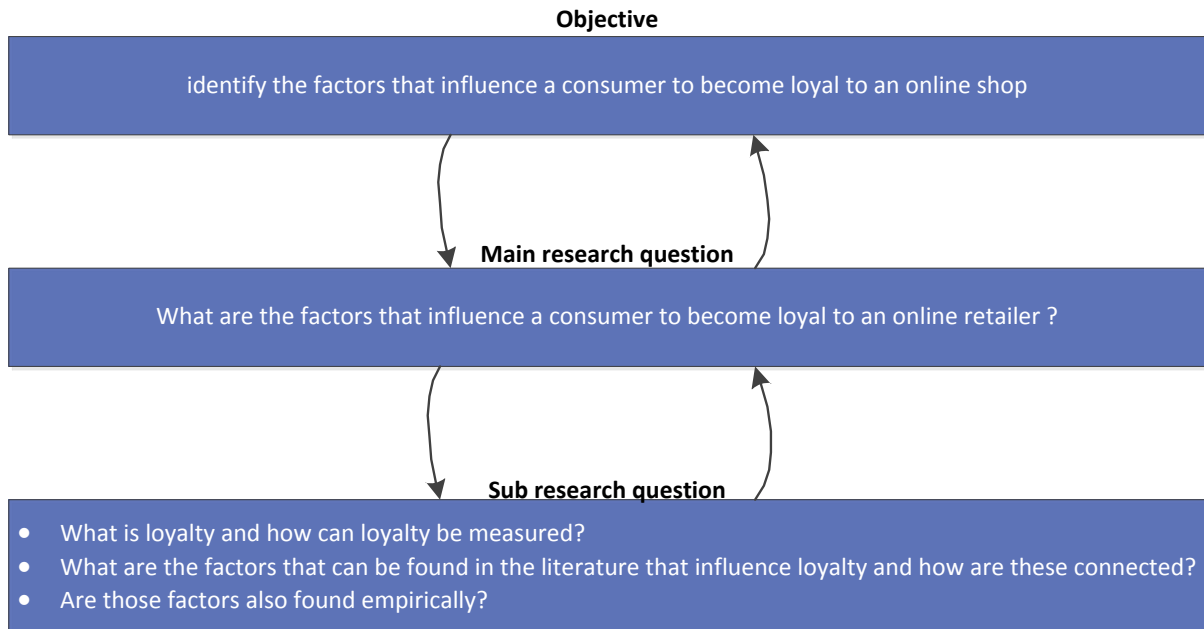


Figure 4: The object, main question and sub questions

As indicated in the theoretical background, literature from information systems, marketing and psychology is needed to answers the sub questions and eventually the main question. Figure 5 shows the research area.

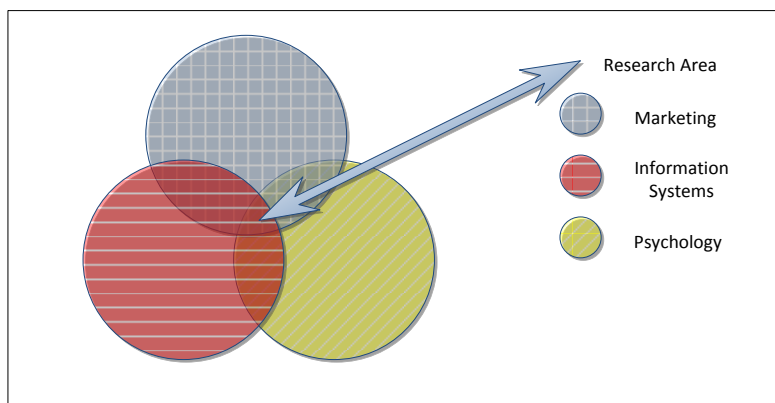


Figure 5: The research area

## 1.4 Justification of the research

Scientific justification: The research on customer loyalty is fragmented and researchers have investigated parts of customer loyalty, like trust and satisfaction without giving a complete picture of factors that influence customer loyalty. Anderson and Srinivasan (2003) stated in their research limitation: "A more comprehensive model of e-loyalty might be developed". Wang, Sun and Zha (2009) noticed that repurchase research is still in the early stage of development. Casaló, Flavián and

Guinalú (2008) who suggested that their result may be different in other product categories. Other researchers indicated that their research may be limited because of the location setting, like Zhang et al. (2011) “our data were collected only in Northern Ireland, UK. Caution must therefore be exercised when attempting to generalize our results to other locations”. The relationship between the uncontrollable factors and loyalty is not yet investigated in research.

Practical justification: Baveja et al. (2000) stated that: “expect for high-ticket items, in almost no instance can an online retailer break even on a one-time shopper” underlining that customer loyalty is essential for online business-to-customer retailers. Tsai, Tsai and Chang (2010) noticed that “Since a very loyal customer is likely to lead more potential customers to the business, many operators highlight customer loyalty as one of their main business goals”. Since online retailers can invest their money on various factors, like design or trust building elements, it is important for them to know which factors influence consumer loyalty.

This research should be interesting from the scientific point of view, because it will investigate relationships with mixed findings in previous research and new relationships. Since loyalty is imperative for online retailers, the practical reasons are clear. This research will provide some insights in which factors influence customer loyalty.

## 1.5 Methodology

The primary method that will guide this research is a quantitative survey and the unit of analysis is consumers who have purchased a physical product on the internet. The reason behind this is that order fulfillment of services and downloaded products are not the same as for physical products that have to be distributed. This could be an important quality aspect for consumers to stay loyal. Babbie (2007) provides some topics that are appropriate for survey research.

- Chiefly used in studies that have individual people as the unit of analysis
- Probably the best method available to the social researcher who is interested in collecting original data for describing a population too large to observe directly
- Excellent vehicles for measuring attitudes and orientations in a large population.

Figure 6: Appropriate survey topic (Based on Babbie, 2007, p.244)

Since the research has individual people as unit of analysis and is interested in loyalty, which is a combination of attitude and behavior, using a survey seems justified.

## 1.6 Outline of this thesis

After the introduction of electronic commerce, especially business to consumer, the thesis highlight why it is important to investigate customer loyalty in online retailing. In chapter two the research issue is conducted with the parent theories of the attitude structure model and the consumer decision model, which will guide the research, and introduce concepts that influence customer loyalty. The hypotheses are also formed in chapter two. Chapter three described the methodology that is used in the research with the unit of analyses, research method and sampling techniques. The analysis of data is done in chapter four en describes the background of the respondents and operationalize the variables. The last chapter is five and give the conclusion and contribution to theory and practice and give advice for further research.



## 2 Research Issue

The aim of this chapter is to build a theoretical foundation upon which the research is based by reviewing relevant literature (Perry, 1998). Relevant literature is critical in any academic project and “an effective review creates a firm foundation for advancing knowledge” (Webster and Watson 2002). It identifies research issues and facilitates theory development and closes areas where plenty of research exists (Perry 1998; Webster and Watson 2002).

### 2.1 Literature search

In order to find relevant literature Scopus was used. The review focuses on concepts that are related to the topic of online retail loyalty, which is suggested by Webster and Watson (2002). This research uses the structural approach of Webster and Watson (2002) in order to find relevant literature, which consist of three steps.

#### Keyword Search

The first step is to search for keywords related to the topic of interest. The keywords that were used in this study were e-loyalty, online loyalty, online repurchase. First e-loyalty resulted in 73 articles in Scopus. Secondly “online loyalty” resulted in 17 articles in Scopus. Thirdly “online repurchase” resulted in 8 articles in Scopus. Three articles were found double making a total of 95 scientific papers. Thereafter the researchers examined the title and abstract and decided if the article was appropriate for this research. For example papers that focus on e-loyalty of social network sites were excluded from further investigation.

#### Backward Search

In order to find more relevant literature the references of the articles were explored depending if it's applicable for this research. For example Oliver (1999) was found in the article of Kim, Ferrin and Rao (2009) and provided a deeper understanding on loyalty and satisfaction.

#### Forward search

The citation of Scopus was used to find articles that build on the literature that was found in the keyword search. For example eTailQ: Dimensionalizing, measuring and predicting etail quality of Wolfinbarger and Gilly (2003) was found through E-loyalty: Your secret weapon on the web of Reichheld and Schefter (2000).

#### Concept matrix

To provide a clear overview of the research papers a concept matrix is used, which is suggested by Webster and Watson (2002). This overview can be found in table 1 and shows all the concepts and variables that are used in previous scientific research papers. The table shows the author of the study, the research method that has been used, the response rate (if available), the purpose of the study, the antecedents of the dependable variable, the dependable variable and the findings.



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Study	Research Method	Rate	Purpose study	Antecedents of the dependent variable	Dependent variables	Findings
Ghane et al. (2011)	Empirical survey (faculty students in Iran )	12.5%	Empirically investigate the impact of e-satisfaction, e-trust and e-service quality on loyalty in online banking.	e-service quality e-satisfaction e-Trust	E-satisfaction E-trust E-trust E-loyalty E-satisfaction E-loyalty	Significant to e-satisfaction Significant to e-trust Significant to e-trust Significant to e-loyalty Significant to e-satisfaction Significant to e-loyalty
Thirumalai et al. (2011)	Customization through field study and customer satisfaction through a public available source	?	Investigate the customization of the online purchase process in electronic retailing	Decision customization Transaction customization Decision and transaction satisfaction	Satisfaction with decision making sub process Satisfaction with transaction making sub process Overall satisfaction	Significant to satisfaction of decision Significant to satisfaction of transaction Significant to overall satisfaction
Chen et al. (2011)	Empirical Survey (consumers of the online store <a href="http://www.unimall.com.tw">www.unimall.com.tw</a> , mostly students 92%)	?	Examine relationship among product-, system-, information-, e-service quality, e-satisfaction and loyalty	Product quality e-Service quality System quality Information quality E-satisfaction	E-Satisfaction E-Loyalty	Significant to e-Satisfaction Significant to e-Satisfaction Significant to e-Satisfaction Significant to e-Satisfaction Significant to e-Loyalty
Wen et al. (2011)	Empirical survey (students)	?	Examine how utilitarian factors, hedonic factors and social/psychological factors influence online repurchase intention.	Perceived Ease of Use Confirmation Trust Perceived usefulness Satisfaction Perceived enjoyment	Trust Perceived usefulness Satisfaction Perceived useful. Repurchase intention satisfaction Repurchase intention.	Significant to trust Significant to perceived usefulness Significant to perceived usefulness Significant to satisfaction Significant to perceived usefulness Not significant to repurchase intention Significant to satisfaction Significant to repurchase intention Significant to repurchase intention Significant to repurchase intention Perceived usefulness affects repurchase intention more than enjoyment
Christodoulides (2010)	Empirical survey (consumer of two online stores)	16.6% 12.2%	Investigate the effect of motives for shopping on e-satisfaction and e-loyalty	Convenience Information seeking Variety seeking Social interaction E-satisfaction	E-satisfaction E-loyalty E-satisfaction E-loyalty E-satisfaction E-loyalty E-satisfaction E-loyalty E-loyalty	Significant to e-satisfaction Not significant to e-loyalty Not significant to e-satisfaction Not significant to e-loyalty Significant to e-satisfaction Not significant to e-loyalty Significant to e-satisfaction Significant to e-loyalty Significant to e-loyalty

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Yang et al. (2010)	Empirical survey (consumers with experience)	?	Investigate e-service quality effect on e-loyalty with utilitarian and hedonic elements	Service quality  Satisfaction Value Value	Satisfaction Loyalty Value Loyalty Satisfaction Loyalty	Significant to satisfaction Significant to loyalty Significant to value Significant to loyalty Significant to satisfaction Not significant to loyalty The indirect effect of service quality on loyalty through satisfaction and perceived value was significant.
Jin et al. (2010)	Empirical survey (customers multichannel retailer and online retailer)	?	compare customers of multichannel retailers with customers of pure e-tailers in their evaluation of online store attributes and the attribute impact on loyalty	Communication Website design Merchandize Security/privacy Order fulfillment promotion	E-loyalty	Not significant. to e-loyalty Not significant. to e-loyalty Significant to e-loyalty Significant to e-loyalty Not significant to e-loyalty Not significant to e-loyalty
Caruana et al. (2010)	Empirical survey (customers of two online vendors books and shares)	39% 23%	Investigate the role of reputation and its relation to quality, perceived value and loyalty	Customer service  Perceived value  Website design  Fulfillment/reliability  Privacy/security  reputation	Reputation Loyalty Reputation Loyalty Reputation Loyalty Reputation Loyalty Reputation Loyalty Loyalty	Significant to reputation Not significant to loyalty Significant to reputation Significant to loyalty Not significant to reputation Significant to loyalty Not significant to reputation Not significant to loyalty Not significant to reputation Not significant to loyalty Significant to loyalty
Fuentes-Blasco et al. (2010)	Quantitative survey (lecturers at a Spanish university, who shopped online previous year)	?	Aim is to analyse e-loyalty, describing its development in terms of how it is influenced by determinants and study potential barriers to switching.	E-service quality Value  Switching cost	Value e-loyalty value - loyalty	Significant to value Significant to e-loyalty Switching cost significant. influence the relationship between value and e-loyalty
Jin et al.(2010)	Empirical survey (customers multichannel retailer with online and offline operations)	?	examines the synergistic interchange between online and offline operations	Basic Attributes (website design, order fulfillment and security) Marketing attributes (communication, merchandising and promotion) Reputation  Offline channel use  E-satisfaction Satisfaction Satisfaction Loyalty	E-Satisfaction      E-loyalty Loyalty E-satisfaction E-loyalty	Not Significant to e-satisfaction  Significant to e-satisfaction  Significant to e-satisfaction and satisfaction  Significant to satisfaction and not to e-satisfaction  Significant to e-loyalty Significant to loyalty Significant to e-satisfaction Not significant. to e-loyalty

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Kim et al. (2009)	Empirical survey (two rounds of web based survey among students)	?	Investigate a longitudinal model of trust and satisfaction in the pre, purchase and post purchase phase and its relationship with e-loyalty	Trust  Risk Benefit Willingness to purchase Expectation  Confirmation Perceived performance Satisfaction	Risk Benefit Will. to. pur. Will. to. pur. Will. to. pur. Purchase Confirmation Satisfaction Satisfaction Confirmation E-loyalty	Significant to Risk Significant to Benefit Significant to will. to purch. Significant to will. to purch. Significant to will. to purch. Significant to purchase Significant to will. to purch. Significant to e-satisfaction Significant to e-satisfaction Significant to confirmation Significant to e-loyalty
Zhou et al. (2009)	Empirical survey (consumers of dangdang.com largest B2C website of China)	?	Investigate the relative importance of website quality and service quality in determining consumers online repurchase behavior.	Website design quality  Service quality  Satisfaction  Trust	Trust Satisfaction Trust Satisfaction Trust Intention Repurchase Intention Repurchase	Not significant. to trust Significant to satisfaction Significant to trust Significant to satisfaction Significant to trust Significant to intention to rep. Significant to intention to rep. Service quality has a stronger effect on consumers trust and satisfaction than Design quality
Wang et al. (2009)	Empirical survey (students and employees)	?	Examine the relationship between perceived customer value and e-loyalty intention	Functional Value <ul style="list-style-type: none"> <li>• Price</li> <li>• Product quality</li> <li>• Convenience</li> </ul> Process Value <ul style="list-style-type: none"> <li>• Website design</li> <li>• Internet security</li> <li>• Customization</li> <li>• Internet interactivity</li> <li>• Operation simplicity</li> </ul> Social Value <ul style="list-style-type: none"> <li>• Website brand</li> <li>• Social evading value</li> <li>• C2c relationship value</li> </ul>	E-loyalty	Partially significant to e-loyalty Not significant to e-loyalty Significant to e-loyalty Significant to e-loyalty Partially significant to e-loyalty Not significant to e-loyalty Significant to e-loyalty Significant to e-loyalty Significant. to e-loyalty Significant to e-loyalty Partially significant to e-loyalty Significant to e-loyalty Not significant to e-loyalty Significant to e-loyalty
Chang et al. (2009)	Empirical survey (customers with 1 year shopping experience)	?	Investigate the relationship among customer interface quality, perceived security, switching costs and customer loyalty	Customer interface quality  Perceived security  Satisfaction Switching costs	Perceived Security Satisfaction Switching cost Satisfaction Switching Costs Loyalty Loyalty	Significant to perceived security Significant to satisfaction Not significant to switching costs Significant to satisfaction Significant to switching costs Significant to loyalty Significant to loyalty Switching costs positively moderated the effect of customer satisfaction on customer loyalty

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Kim et al. (2009)	Empirical survey (students of universities)	?	The purpose of this study is to propose and test an integrative model of e-loyalty development process.	e-trust e-satisfaction fulfillment/reliability responsiveness website design security/privacy	E-loyalty E-satisfaction E-loyalty E-trust E-satisfaction E-trust E-satisfaction E-trust	Significant to e-loyalty Significant to e-satisfaction Significant to e-loyalty Significant to e-trust Significant to e-satisfaction Not significant. to e-trust Not significant. to e-satisfaction Significant to e-satisfaction Significant to e-trust
Chang et al. (2008)	Empirical survey (online shoppers for longer than 1 year)	?	Testing the relationship among customer interface quality, satisfaction, switching costs and e-loyalty	Customization Interactivity Character Switching costs convenience Convenience e-satisfaction switching costs Customization Convenience e-satisfaction switching costs Customization Interactivity Character	E-satisfaction  Switching costs  E-loyalty	Significant to e-satisfaction Significant to e-satisfaction Significant to e-satisfaction Significant to e-satisfaction Not significant to e-satisfaction Not significant to switching costs Not significant to switching costs Not significant to switching costs Not significant to switching costs Significant to e-loyalty Significant to e-loyalty Significant to e-loyalty Not significant to e-loyalty Not significant to e-loyalty Not significant to e-loyalty
Casaló (2008)	Web survey (Spanish speaking internet users)	?		Usability  Satisfaction Reputation	Satisfaction Loyalty	Significant to satisfaction Not significant to loyalty* Significant to loyalty Significant to loyalty *only significant to consumers who are more familiar with the online shop.
Cyr et al. (2007)	Experiment (students, faculty and staff)	?	Examine how varied conditions of social presence in B2C e-service context influence loyalty	Trust Perceived usefulness Enjoyment Perceived social presence Perceived ease of use Perceived social presence Perceived social presence Perceived social presence	E-loyalty  Perceived usefulness Trust Enjoyment	Significant to e-loyalty Significant to e-loyalty Significant to e-loyalty Significant to e-loyalty Significant to usefulness Significant to usefulness Significant to trust Significant to enjoyment

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Cristobal (2007)	Empirical survey (internet users who bought or used service online)	?	The objective is to develop a multiple-item scale for e-service quality and study the influence of perceived quality on consumer satisfaction levels and the level of loyalty	e-service quality Satisfaction	E-loyalty	Not significant. to e-loyalty Significant to e-loyalty
Zha et al. (2006)	Empirical survey (students and employees)	?	Examine the antecedents and consequences of satisfaction toward e-retailer	E-SQ Website design Security Customization Interactivity Merchandise Relative price Convenience Simplicity Expectation e-satisfaction	E-satisfaction          E-loyalty	Partially to e-satisfaction Not significant. to e-satisfaction Significant to e-satisfaction Not significant. to e-satisfaction Significant to e-satisfaction Significant to e-satisfaction Significant to e-satisfaction Significant to e-satisfaction Significant to e-satisfaction Significant to e-satisfaction Significant to e-satisfaction
Flavian et al. (2006)	Empirical survey (questionnaire published on website)	?	The objective was to analyse the influence of usability on trust and satisfaction and the incidence of these three on loyalty	Usability  Satisfaction  Trust	Trust Satisfaction Loyalty Trust Loyalty Loyalty	Significant to trust Significant to satisfaction Not significant to loyalty Significant to trust Significant to loyalty Significant to loyalty
Anderson et al. (2003)	Empirical survey (customers maintain by an online marketing firm)	24%	Investigate the impact of e-satisfaction on e-loyalty and its moderated factors.	e-satisfaction Business level factors Trust Perceived value Individual level factors inertia convenience purchase size	E-loyalty	Significant to e-loyalty All significant. influence relationship between e-satisfaction and e-loyalty

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Srinivasan et al. (2002)	Empirical survey (customers of market research firm)	24%	The main objective is to identify managerially actionable factors that impact loyalty and investigate the nature of their impact	<ul style="list-style-type: none"> <li>Customization</li> <li>Contact interactivity</li> <li>Care</li> <li>Community</li> <li>Convenience</li> <li>Cultivation</li> <li>Choice</li> <li>Character</li> </ul>	E-loyalty	<ul style="list-style-type: none"> <li>Significant to e-loyalty</li> <li>Significant to e-loyalty</li> <li>Significant to e-loyalty</li> <li>Significant to e-loyalty</li> <li>Not significant to e-loyalty</li> <li>Significant to e-loyalty</li> <li>Significant to e-loyalty</li> <li>Significant to e-loyalty</li> </ul>
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Table 1: factors influencing e-loyalty

## 2.2 Parent theories

The theoretical background highlighted the importance of customer loyalty for online retailers. To structure and guide this research two parent theories (Perry, 1998) are used. The first parent theory describes the traditional attitude structure, which consists of cognitive, affective and conation. The second parent theory is of Constantinides and Fountain (2008), which is based on Kotler (2003), and highlight the importance of the online controllable and online uncontrollable factors in the decision making process.

### 2.2.1 Attitude structure

The traditional attitude structure consists of three components, namely: cognitive, affective and conative (Dick and Basu, 1994; Oliver, 1999; Chang and Chen, 2009). Cognitive involves the belief, thoughts and ideas of a person about an object based on prior or vicarious knowledge or recent experience-based information. Affective involve a person feeling state or emotions towards the object and last is conative, which is the behavioral intention towards the object (Dick and Basu, 1994; Oliver 1999)<sup>5</sup>.

Researchers have found that the three components influence each other. The cognitive component influences the affective component, which in turn influence the conation (Oliver, 1999; Olson, 2002; Chang and Chen, 2008, 2009). According to Oliver (1999) all three components must point to a favorable brand for true loyalty to exist. He argued that customers can become loyal in each phase of the traditional attitude structure and added an action loyalty phase, because intention may lead to unrealized action, and customers subsequently go through these phases to become truly loyal. So first customers become loyal in the cognitive phase, which is based on the information about the brand and customers chooses the preferable option based on this information. Secondly the affective (attitude) phase customer forms and attitude of liking towards the brand, this is based on cumulative satisfying experience and commitment “is encoded in the consumer’s mind as cognition and affect”. Thirdly in the conative (behavioral intention) loyalty is based on positive affects towards the brand repeatedly and finally leads to action loyalty, which is the last phase. This research uses the cognitive (belief), affective (attitude), conation (behavior intention) and action sequence (figure 7).

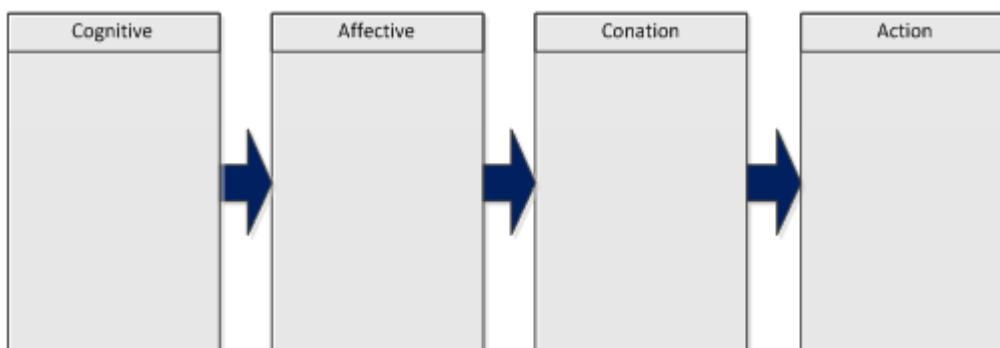


Figure 7: The attitude model

<sup>5</sup> <http://www.nd.edu/~rwilliam/xsoc530/attitudes.html>

## 2.2.2 Factors influencing consumers decisions

Constantinides (2004) used the framework of Kotler (2003) in his research to factors influencing the online consumer's behavior. The framework included a new category of online controllable marketing factors, because the traditional marketing mix (4p's) is not compatible with e-commerce Constantinides (2002). With the rise of social media, which is also referred to as Web 2.0, Constantinides and Fountain (2008) added an additional input named the online uncontrollable marketing factors (figure 8).

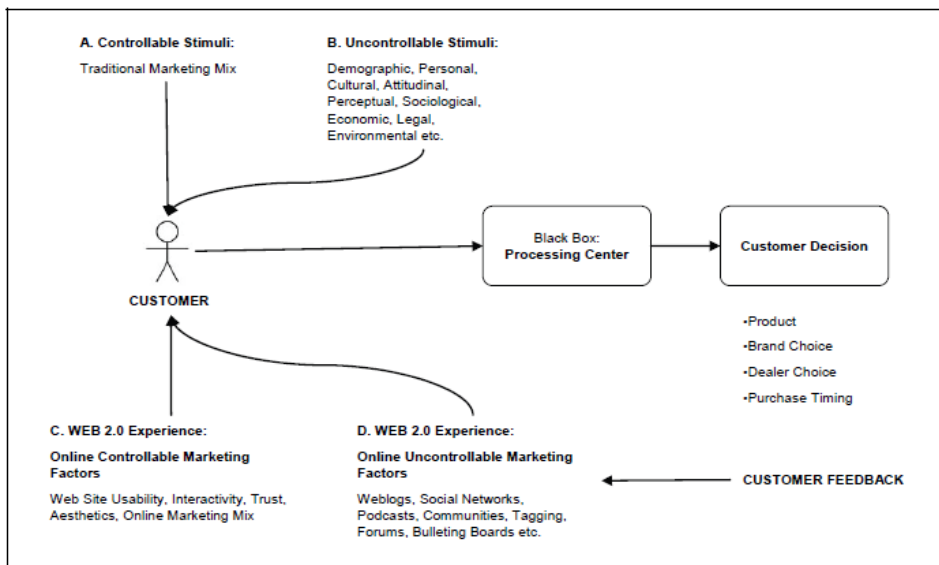


Figure 8: The consumer decision model (Constantinides and Fountain, 2008)

The model can generally be divided into the marketing controllable factors and the marketing uncontrollable factors. The factors A and B can be considered as factors influencing a consumer in the traditional buying process (Constantinides and Fountain, 2008). As Constantinides, Lorenzo and Gómez (2008) noted the traditional marketing media and practices becomes less effective in the online shopping environment. Since this study focuses on online retailing, the focus is on the bottom side of the model (Factor C and D). This model together with the traditional structure model will be used to structure the factors that are found in table 1.



## 2.3 Research problem theory

Section 2.2.1 established the parent theory which will be used in this research. This section first covers the conation and action phase, in which loyalty is placed. Then the affective phase is discussed which consist of satisfaction and trust. The last phase is the cognitive phase, which is divided in the online marketing controllable and online marketing uncontrollable factors. Figure 9 shows the research model, the factors included in this model will be discussed in this section.

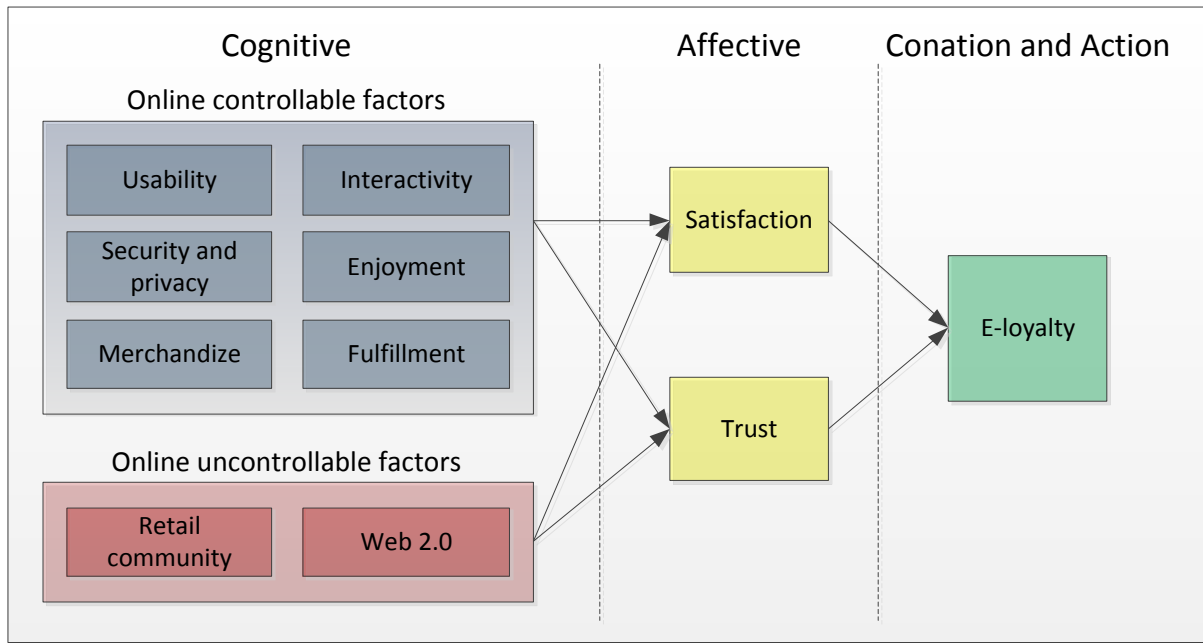


Figure 9: The research model

### 2.3.1 Conation and Action phase

Customer loyalty can be divided into two streams of research. The first stream, which is mostly the early view on customer loyalty, treats customer loyalty based on purchase patterns (behavior). So in the context of online retailing a customer is considered loyal if they buy their products or services with the same online retailer. Although measuring loyalty solely on the basis of purchase pattern could mask if the customer is truly loyal. Only behavioral measurements are insufficient to explain why customers are loyal and how this can be developed (Dick and Basu, 1994). Perhaps the customer has no alternatives to choose from or is unaware of other online retailers selling the same items. To address this issue, the second stream of research also used psychological commitment in the form of attitudinal dimensions along the behavioral dimension to measure loyalty (Dick and Basu, 1994; Oliver, 1999; Srinivasan, Anderson and Ponnnavolu, 2002; Anderson and Srinivasan, 2003; Harris and Goode, 2004; Chang and Chen, 2009).

Oliver (1999 p.34) define loyalty as “a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior”. Since Oliver’s (1999) definition is mainly for brand loyalty and not in particular for online retailer loyalty, this research uses the definition of Srinivasan, Anderson and Ponnnavolu (2002 p.42). They define e-loyalty as “a customer’s favorable attitude toward the e-retailer that results in repeat buying behavior”. This definition is in line with the discussion on loyalty above and

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includes behavioral dimension as well as attitudinal dimension. According to Chang and Chen (2008) loyalty can be considered a conation/action construct in the framework of Oliver (1999).

The consequences of loyalty results according to Dick and Basu (1994) in reduce search motivation, customers would less likely search for alternatives. The customers have also greater resistance to marketing efforts by competitors, which is also supported by Oliver (1999), and give positive word of mouth, supported by Reichheld and Schefter(2000). Srinivasan, Anderson and Ponnnavolu (2002) empirically found that loyalty indeed is positively related to word of mouth and found weak but significant evidence of a negative relationship between search for alternatives and loyalty. They even found that loyal customers are willing to pay higher prices in order to stay with the same online retailer. Reichheld and Schefter (2000) also found that loyal customers serve as a support desk, by helping people they refer.

### 2.3.2 Affective phase

In this phase customers have developed a feeling state towards the online retailer and commitment is cognitive and affective (Dick and Basu, 1994; Oliver, 1999) and is a more global evaluation (Olsen, 2002; Flavian, Guinalú and Gurrea, 2006; Casaló, Flavian and Guinalú, 2008). Satisfaction and trust are two mediating factors that are often used in research (Flavián, Guinalú and Gurrea, 2006; Kim, Jin and Swinney, 2009; Zhou, Lu and Wang, 2009; Ghane, Fathian and Gholamian, 2011). Flavian, Guinalú and Gurrea (2006) stated Selnes (1998) “that satisfaction and trust were concepts that refer to global evaluation, feelings, or attitude by one party with respect to another, and, although related, these are different variables”.

#### Satisfaction

According to Oliver (1999) most definitions of satisfaction are process definition and define what customers do to become satisfied and leave the psychological meaning aside, such as satisfaction is the differences between what a customer expects and receives. Chang and Chen (2008, 2009) and Yang and Peterson (2004) found that in previous research there are two different ways of determining satisfaction. The first is the transaction specific satisfaction, in which satisfaction is evaluated for one transaction with the online retailer. The second is the cumulative satisfaction, in which satisfaction is evaluated based on the overall experience with an online retailer. Satisfaction is found to influence e-loyalty directly in numerous studies (Anderson and Srinivasan, 2003; Flavian, Guinalú and Gurrea, 2006; Zha, Ju and Wang, 2006; Casaló, Flavian and Guinalú, 2008 Chang and Chen, 2008, 2009; Kim, Jin and Swinney, 2009; Kim, Ferrin and Rao, 2009; Zhou, Lu and Wang, 2009; Yang et al., 2010; Jin, Park and Kim, 2010, Christodoulides and Michaelidou, 2010; Wen, Prybutok and Xu, 2011; Chen, Huang and Chen, 2011; Ghane, Fathian and Gholamian, 2011). Oliver (1999) defines satisfaction as “consumer’s fulfillment response, the degree to which the level of fulfillment is pleasant or unpleasant”, thus satisfaction reflects the customer feeling state and can be viewed as an affective component (Olson, 2002). Zhou, Lu and Wang (2009) stated that satisfaction reflects a consumers feeling about an online retailers ability to meet their past expectation.

#### Trust

Online retailing complies with the two pre-conditions of Chopra and Wallace (2003) for trust to be relevant, namely: dependence and risks. In order for dependence to exist a customer must have a need to fulfill and the online retailer must be able to satisfy this need. Online retailing involves the buying of products and services from a distance, this increase the risk customers experience and “the

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more the two sides of a transaction are separated in time and space, the greater the risks”(Dellarocas, 2001, p.3). Risk involves uncertainty and vulnerability. Uncertainty can arise because consumers are not able to inspect the product using all five senses in advance and cannot look the salesman in the eye and feel the stores atmosphere (Reichheld and Schefter, 2000). Consumers are vulnerable if they suffer a loss, when the online retailer betrays their trust (Chopra and Wallace, 2003). In the case of online retailing this can be for example monetary loss or personal information loss. Anderson and Srinivasan (2003) agree that the importance of trust is because of the perceived risk that consumers face. According to Reichheld and Schefter (2000 p.107) “to gain the loyalty of customers, you must first gain their trust”. Chopra and Wallace (2003) define trust as “trust is the willingness to rely on a specific other, based on confidence that one’s trust will lead to positive outcomes”.

Trust has been investigated in relation to loyalty (Anderson and Srinivasan 2003; Cyr et al., 2007; Kim, Jin and Swinney, 2009; Zhou, Lu and Wang, 2009; Ghane, Fathian and Gholamian, 2011) and found to significantly influence loyalty, although the study of Wen, Prybutok and Xu ( 2011) didn’t find a significant influence of trust on customers online repurchase intention. They argue that trust may not be the main driver for customers to continue shopping online, although the absence of trust could be the reason why customers don’t shop online. Trust has cognitive, affective and conation dimensions (McKnight, Choudhury and Kacmar, 2002; Chopra and Wallace, 2003; Gefen, Karahanna and Straub, 2003; Johnson and Grayson, 2005; Aikon and Boush, 2006). The cognitive dimension is knowledge driven and involves to search for evidence for the trust to be based on (McKnight, Choudhury and Kacmar, 2002; Chopra and Wallace, 2003; Johnson and Grayson, 2005). The affective component contains the emotional/feeling elements of trust and involves the care and concern an online retailer shows (Chopra and Wallace, 2003; Johnson and Grayson, 2005; Aikon and Boush, 2006). Cognitive dimension represents the lower level trust, whereas affective dimension presents a higher level of trust(Chen and Dhillon, 2003) and the conation component deals with the willingness to depend (McKnight, Choudhury and Kacmar, 2002; Johnson and Grayson, 2005), this research investigate the affective component of trust. According to Johnson and Grayson (2005, p.501) Affective trust “is the confidence one places in a partner on the basis of feelings generated by the level of care and concern the partner demonstrates”. Trust can be seen as an attitude towards the online retailer future behavior (Zhou, Lu and Wang, 2009)

The discussion above leads to the following hypotheses:

*H1: Affective factors will positively be related to loyalty*

### 2.3.3 Cognitive phase

In this phase customer’s belief is formed through the attribute information that is provided to them (Dick and Basu, 1994; Oliver, 1999), this can be based upon prior or vicarious knowledge or recent experience information, which loyal customers have (Oliver, 1999). According to Olsen (2002) quality “can be defined and measured as belief statements or attribute performance” hence as a cognitive component of the evaluation. Customers have gained information about the quality of the online retailer in previous purchases and are therefore able to judge the quality of an online retailer. Consumers can also gain information through social media (figure 1), which is an aspect that

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influences consumer's decision and the content is not controlled by the retailer (Constantinides, Lorenzo and Gómez, 2008).

### 2.3.3.1 Analyzing factors previous research

Previous researches have also investigated quality factors that influence e-loyalty directly or indirectly. As table 1 shows the research on online customer loyalty is fragmented and there are many factors considered that significantly influence loyalty directly as well as indirectly. Besides that the research is fragmented it also found mixed results on some factors, like website design, security, customization, responsiveness, fulfillment and reliability. For example website design is found to significantly influence satisfaction and loyalty (Kim, Jin and Swinney, 2009; Zhou, Lu and Wang 2009; Caruana and Ewing, 2010), but others did not found such relationship (Wang, Sun and Zha, 2009; Jin and Kim, 2010). Also the focus of the research varies, Chang and Chen (2008) focuses solely on customer interface, whereas Kim, Jin and Swinney (2009) focuses on the entire controllable marketing factors using the eTailQ scale of Wolfinbarger and Gilly (2003). This research also focuses on the entire experience a consumer have with the online retailer, like Wolfinbarger and Gilly (2003). However, where most studies only investigate the controllable factors, this research also investigates the uncontrollable factors (figure 9). The factors that are found in table 1 are divided in eight categories (table 2 and 3) inspired by Constantinides (2004). First the online controllable factors are discussed and then the uncontrollable factors (Figure 9s).

### 2.3.3.2 The online controllable factors

These are the factors that the online retailer has direct control over. For example the online retailer is able to change the layout of the website or change the content. The online controllable factors are divided in six categories, usability, interactivity, security/privacy, enjoyment, merchandize and fulfillment (table 2). The categories are discussed below.

Usability (2)	Interactivity (4)	Security/Privacy (7)	Enjoyment (2)	Merchandize (3)	Fulfillment (4)
Website design (7)	Customization (5)		Character (2)	Choice (1)	
Convenience (4)	Care (1)			Product quality (1)	
Simplicity (2)	Cultivation (1)			Price (2)	
Ease of Use (2)	Communication (2)				
Efficiency (1)	Promotion (2)				
	Customer service (2)				

Table 2: Six online controllable categories that influence loyalty

- (n) = frequently they occur in table 1

#### Usability

Constantinides (2004) developed the main building blocks of a web experience. It consists of five categories, which are usability, interactivity, trust, aesthetics and the marketing mix. This research like Constantinides (2004) also uses the definition of Nah and Davis (2002) and define usability as "the ability to find one's way around the Web, to locate desired information, to know what to do next, and, very importantly, to do so with minimal effort". This definition covers the factors that are found in table 2, website design, convenience, simplicity, ease of use and efficiency. It also strongly overlaps with the five factors of usability used in the study of Flavían, Guinalíu and Gurrea (2006).

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1. The ease of understanding the structure of a system, its function, interface, and contents observed by the user.
2. Simplicity of use of the website in its initial stages.
3. The speed with which the users can find the item they are looking for.
4. The perceived ease of site navigation in terms of the time required and action necessary to obtain the desired results.
5. The ability of the users to control what they are doing, and where they are, at any given moment.

Usability factors (Source: Flavián, Guinalú and Gurrea, 2006 p. 2)

It should be noticed that most studies on online loyalty do not include usability, with an exception of Flavián, Guinalú and Gurrea (2006) and Casálo, Flavián and Guinalú (2008). The website design can be divided in classic aesthetic and expressive aesthetic. In the usability factor the website design reflects the classic aesthetic, which emphasizes an orderly and clean design (Lavie and Tractinsky, 2004).

Flavián, Guinalú and Gurrea (2006) found that usability significantly influence both satisfaction and trust, but not directly loyalty. It only influences loyalty directly if consumers are more familiar with the website (Casálo, Flavián and Guinalú, 2008). Kim, Jin and Swinney (2009) found that website design significantly influence satisfaction. When customers can easily navigate through the website and find the information that they need than this is expected to increase their satisfaction level (Yoon, 2002). Zhou, Lu and Wang (2009) found that website design significantly influence satisfaction, but not trust and argue that website design is important for first time purchases, but its effect diminish after experience is gained. Caruana and Ewing (2010) found that website design directly influence loyalty, which is not found in the study of Wang, Sun and Zha (2009). They argue that a possible reason is that the Chinese online retailer is still in its infant stage. The studies of Zha, Ju and Wang (2006) found that website design did not significantly influence satisfaction, although convenience and operation simplicity did. Jin and Kim (2010) found that website design did not significantly influenced loyalty for pure plays, but it did for multichannel retailers. Chang and Chen (2008) found that convenience did not significantly influence satisfaction, but it did significantly influence loyalty. Cyr et al. (2007) found that navigation design, visual design and information design all influence trust and satisfaction. Constantinides and Geurts (2005), who found that trust does not have an important role in the online buying preferences and argue that website design can also be an important cue in the trustworthiness. Although the previous researchers found some mixed finding regarding to the factors of usability, this research argues that usability will positively influence trust and satisfaction.

## **Interactivity**

The interactivity of the internet as a shopping environment can enhance the web experience of customers by personalizing services and making it possible for consumers to interact with each other and the online retailer (Constantinides, 2004). Interactivity is defined as “The online retailer capability to respond to customers’ needs”. Interactivity in this research covers customization, cultivation and customer service (table 2). Customization is one factor of interactivity and shows to what extent an online retailer can recognize its consumer and tailor the products and services to that consumer. Cultivation involves the information that an online retailer provide to the consumer in order to extend their purchases, based on their purchase history (Srinivasan, Anderson and Ponnnavolu, 2002). There is a great overlap between care (Srinivasan, Anderson and Ponnnavolu, 2002) and customer service (Wolfenbarger and Gilly, 2003) those factors are combined in customer service. Customer server involves the ability of an online retailer to quickly respond to inquiries and to keep

to consumer informed about the availability of the products and the status of the order. The communication factor of Jin, Park and Kim (2010) and Jin and Kim (2010) overlaps with care, customization factor and is removed for further investigation.

Elements of interactivity are also linked to loyalty. Srinivasan, Anderson and Ponnnavolu (2002) found that contact interactivity, customization, care and cultivation are significantly related to loyalty. Jin, Kim and Swinney (2009) did not found a significant relationship between responsiveness (same as customer service factor of Wolfinbarger and Gilly, 2003) and satisfaction or trust and argue that consumers do not need to contact the retailer in every transaction except in the problematic ones. Zha, Ju and Wang (2006) found that interactivity is related to satisfaction, but customization is not. Chang and Chen (2008) found that interactivity and customization both significantly influence satisfaction. Wang, Sun and Zha (2009) found that internet interactivity and customization significantly influence loyalty. Despite the mixed findings in previous research, this research expects that interactivity significantly influence satisfaction and trust. If the online retailers website is highly interactive, meaning that customers can easily contact the retailer and receive information that is specific for their needs than this will increase their trust and satisfaction.

### **Security/privacy**

Consumers had privacy and security concerns in the initially acceptance of online shopping (Hoffman and Novak, 1999), but this remains an issue today<sup>6</sup>. According to Liu and Arnett (2000) security “is a necessary but not a sufficient condition of designing a successful web site”. Security and privacy is a factor in the eTailQ scale of Wolfinbarger and Gilly (2003) and privacy a dimension in the E-RecS-QUAL scale of Parasuraman, Zeithaml and Malhotra (2005) and it also part of the reliability dimension of Bauer, Falk and Hammerschmidt (2006). Security/privacy is according to Wolfinbarger and Gilly (2003) “security of credit card payments and privacy of shared information.”

Chang and Wen (2009) found that perceived security significantly influence satisfaction. Wang, Sun and Zha (2009) found that internet security significantly influence loyalty. Zha, Ju and Wang (2006) found that security significantly influence satisfaction. Kim, Jin and Swinney (2009) found that security and privacy significantly influence trust. Jin and Kim (2010) found that security/privacy significantly influence loyalty. Caruana and Ewing (2010) however did not find a direct significantly relationship between privacy/security on loyalty and argues that perhaps it has an indirect effect on loyalty through other variables which are not included in their model.

### **Enjoyment**

As indicated before under usability, design can be divided into two components classic aesthetic and expressive aesthetic (Lavie and Tractinsky, 2004). This part focuses on the expressive side of the design and embraces the artistic and creative side (Constantinides, 2004). It has overlap with the character antecedent of Srinivasan, Anderson and Ponnnavolu (2002). According to Childers (2001) customers engage in online shopping for hedonic and utilitarian dimensions, although most shoppers are goal oriented (Wolfinbarger and Gilly, 2001). Enjoyment is a hedonic element and was neglected in the scale of Wolfinbarger and Gilly (2003) and Parasuraman, Zeithaml and Malhotra (2005).

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<sup>6</sup> [http://www.digitalcenter.org./pdf/2011\\_digital\\_future\\_final\\_release.pdf](http://www.digitalcenter.org./pdf/2011_digital_future_final_release.pdf)



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Childers (2001) found that enjoyment positively influence the attitude customers have with the online retail, which is also the case in a framework of Monsuwé, Dellaert and Ruyter (2004). Wen, Prybutok and Xu (2011) found that enjoyment influence the repurchase intention. Keeney (1999) found that shopping enjoyment was a fundamental objective for customers to shop online. Ahn, Ryu and Han (2007) found that playfulness influence attitude and the behavioral intention to use. Srinivasan, Anderson and Ponnnavolu (2002) found that character significantly influence loyalty. This research argues that customers who perceive the website as joyful is likely to be more satisfied with the online retailers. It is also likely that consumers who enjoy the website also have more trust in the website.

## **Merchandize**

This research considers merchandize as choice, product quality and price. Srinivasan, Anderson and Ponnnavolu (2002) found that choice significantly influence loyalty. Online retailers are typically able to offer a wider offering of products than traditional retailers can. Take for example amazon.com, which can contain more book titles than a typical bookstore. Chen, Huang, and Chen (2011) found that product quality significantly influences satisfaction and Wang, Sun and Zha (2009) found that product quality significantly influence loyalty. Product quality is also one of the fundamental objectives of online shoppers (Keeney, 1999). Product quality is also found to be important in accepting an online retailer (Ahn, Ryu and Han, 2004). Price is considered as an important motive for consumers to shop online, although research do not confirm this (Ancarani and Shankar, 2004; Constantinides, 2004). If the merchandize of an online retailer is considered good this is likely to influence to satisfaction and trust in the online retailer.

## **Fulfillment**

Ahn, Ryu and Han (2004) found that besides the online features, the offline features (product quality and delivery service) are also important for online shoppers. According to Constantinides (2004) order fulfillment has an immediate impact on consumers to return to the online retailer. Wolfinbarger and Gilly (2003) found that fulfillment/reliability significantly relate to quality, satisfaction, loyalty and the attitude towards the website. An interesting research of Rao, Griffis and Goldsby (2011) shows that late order fulfillment influence future purchases. If online retailers cannot deliver when promised this result in reduce order quantity and order value and will increase customer anxiety. Also the degree is important in which the order is delivered to late, so how later the order delivery is fulfilled the less is the quantity and dollars spend and the more anxiety increase. Fulfillment is defined as “(a) the accurate display and description of a product so that what customers receive is what they thought they ordered, and (b) delivery of the right product within the time frame promised” (Wolfinbarger and Gilly, 2003 p.101)

Wolfinbarger and Gilly (2003) found that fulfillment and reliability significantly influence quality and satisfaction. Kim, Jin and Swinney (2009) found that the fulfillment and reliability of Wolfinbarger and Gilly (2003) significantly influence both trust and satisfaction. Order fulfillment is not directly related to loyalty (Jin and Kim, 2010; Caruana and Ewing, 2010).

Leading to the following two hypotheses:

*H2A: The online controllable marketing factors will positively be related to trust*

*H2B: The online controllable marketing factors will positively be related to satisfaction*

### 2.3.3.3 The online uncontrollable marketing factors

As seen in the section cognitive phase, consumer’s belief is formed through the attribute information that is provided to them (Dick and Basu, 1994; Oliver, 1999). Where the previous section focused solely on the online controllable factors, this section continues with the online uncontrollable marketing factors. The online uncontrollable marketing factors are those where the content is outside an online retailer direct control, the content is written by consumers instead of the online retailer. The online uncontrollable marketing factors are further divided into the two categories interior and exterior (table 3). Where the first category represents the social media part on the retailer website itself and the second category is the social media part which is not on the website of the retailer.

Social media	
Interior	Exterior
Community (1)	
Social presence (1)	

Table 3: Social media factors

Constantinides and Fountain (2008) define Web 2.0 as “a collection of open-source, interactive and user-controlled online applications expanding the experience, knowledge and market power of the users as participants in business and social processes. Web 2.0 applications support the creation of informal users’ networks, facilitating the flow of ideas and knowledge by allowing the efficient generation, dissemination, sharing and editing/ refining of informational content”. Based on this definition they divided Web 2.0 along three dimensions. This study focuses on the social effect dimension of Web 2.0 (figure 10).

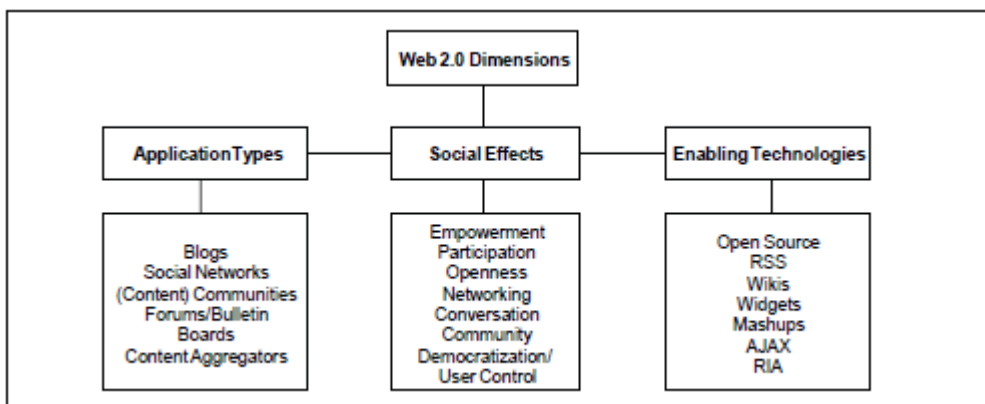


Figure 10: The three dimensions of Web 2.0 (Constantinides, Lorenzo and Gómez, 2008)

As seen in figure 10, there are a number of effects that Web 2.0 has on consumers. Consumers are able to write their own experience with an online retailer on one of the many application types that



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are available and this can change the attitude that a consumer has (Constantinides, Lorenzo and Gómez, 2008). As Constantinides, Lorenzo and Gómez(2008) stated: “In the Web 2.0 era, customer preferences and decisions are increasingly based on inputs provided by parties beyond the control of online marketers”. According to Oliver (1999) a supportive social environment enhances loyalty. The theory of reasoned action (Fishbein and Ajzen, 1975), which is an intention model that has been proven successfully, also has a factor that is named subjective norm. Subjective norm is “the person’s perception that most people who are important to him think he should or should not perform the behavior in question” (Davis, Bagozzi and Warshaw, 1989, p.984 based on Fishbein and Ajzen 1975, p.302) and this influence their intention to perform a behavior. Since loyalty is also a type of behavior as seen in the conation/action section, the social media is also expected to be important in online retailing.

### **Social media interior**

Social media interior is concerned with the support of the online retailer in letting consumers write their own experience. Of the factors influencing loyalty (table 1) the factors community and social presence are not investigated in the controllable factors, because the content is written by the consumers. Community is the ability of consumers to share opinion with other consumers sponsored by the online retailer (Srinivasan, Anderson and Ponnawolu, 2002). Cyr et al. (2007) investigated online buying of concert tickets and found that social presence increase when the website used photo’s, synchronous chat and asynchronous reviews. Since synchronous chat and asynchronous reviews is a way to share opinions, community and social presence are combined in the retail’s community factor. The community and social presence factor are organized and maintained by the online retailer to facilitate the exchange of opinions and experiences (Srinivasan, Anderson and Ponnawolu, (2002).

### **Social media exterior**

Besides this type of web 2.0 application that online retailers provide to their consumers. Consumers themselves can also use web 2.0 application and search for example on blogs, social networks, and forums to gain more information by reading/watching other consumers, which is not organized and maintained by the online retailer. According to the researcher, this is the first research that taps into this area. We believe it is interesting if consumers who are loyal to an online retailer are still using web 2.0 applications to find additional information about the products/services of the online retailer and how this relates to trust, satisfaction and loyalty.

This research argues that Web 2.0 has an impact on loyalty, through trust and satisfaction.

*H2C: The online uncontrollable marketing factors will positively related to trust*

*H2D: The online uncontrollable marketing factors will positively related to satisfaction*

## 3 Method

The objective of this research is to find out which factors influence consumer retail loyalty. The research model (figure 9s) is developed in the previous section and will be empirically tested. This chapter describes the major methodology that was used to perform the empirical research and begins with the unit of analyses.

### 3.1 Research methodology

#### Unit of analysis

The goal of this research is to find out the factors that influence consumers retail loyalty. This research was performed in the Netherlands. The subjects must have previous experience with online shopping in the retail environment in order to be able to answer all the questions. The product that they bought must be physical products, because fulfillment is different for downloaded products and services. So the units of analyses are Dutch online consumers who have purchased a physical product from an online retail shop.

#### Research method

The research uses a quantitative research method. The questions were distributed using an online survey. According to Babbie (2007, p.244-245) surveys are appropriate in studies where the unit of analyses are individual people and where the population is too large to observe directly and for measuring attitudes and orientations. This research meets all the three conditions. According to Saunders, Lewis and Thornhill (2009) the benefit of using a survey is that large amount of data can be collected from a sizeable population. The survey was hosted on <http://www.thesistools.com>. This website allows researchers to easily create a survey and the results are available in excel, text and an online format. The excel file can be used in programs such as SPSS to perform the statistics.

#### Sampling technique

In order to collect the data a snowball sampling technique is used, which is a non-probability sampling method Babbie (2007). The reasons for this method lie in the fact that the researcher is unable to acquire a list of online consumers to perform a probability sampling method. The researcher and his supervisors made use of e-mail, twitter and facebook to attract online consumers to the online survey and asked the consumers to send the link to other people as well. The website Frankwatching.com, which is an independent online marketing/multimedia platform, was also contacted and they asked their followers and members to participate in the research using twitter and LinkedIn. The survey was distributed to a diversity of people regarding age, shopping experience and education (table 4). After one week this process was repeated.

#### Survey structure

The survey consists of three parts. The first part asked respondents some background information and from which online retailer they had last purchased a product from. The second part asked the respondents to keep this online retailer in mind while evaluating specific statements of the different factors (cognitive) that are found in the literature. The last part consists of statements to evaluate the online retailer globally (affective) and how loyal (conation and action) they are to the online retailer.

Before the survey was distributed online, a pretest was conducted. Because “no matter how carefully researchers design a data collection instrument such as a questionnaire, there is always the possibility of error” (Babbie, 2007, p.257). The pretest was sent to and filled in by online consumers.

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The result was that some statements were unclear to the online consumer and those statements were formulated differently (appendix).

## 3.2 Operationalize instruments

To measure the eight variables and investigate the hypotheses they need to be operationalized Babbie (2007). The same sequence which is used by the problem theory section is also used here. First the conation/action phase is operationalized, and then the affective phase and the last is the cognitive phase (table 4).

A well designed research measurement should meet the requirements of reliability and validity. Reliability refers to “whether a particular technique, applied repeatedly to the same object, yields the same result each time” and validity refers to “the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration” (Babbie, 2007, p.143 and p.146). A method to ensure reliability is to use established measurements, almost all the measurements are from previous literature which was analyzed. The Cronbach value of the variables are also calculated which shows if the items are reliable.

There are different types of validity. First construct validity has been applied by using literature from the attitude structure(Dick and Basu, 1994; Oliver, 1999; Chang and Chen, 2009) and the consumer decision model(Constantinides and Fountain, 2008). By using these theories the variables have a logical relationship to each other (Babbie, 2007). Because of the many variables that are included in this model, the research was unable to include all the measurements from previous research. Face validity was used to asses which measurement was included in the variable.

Conation/Action	Measured	Cronbach
<b>Loyalty:</b> “a customer’s favorable attitude toward the e-retailer that results in repeat buying behavior” (Srinivasan, Anderson and Ponnnavolu, 2002 p.42)	1. When I need to purchase the same kind of product, this website is my first choice. (based on Srinivasan, Anderson and Ponnnavolu 2002).	.922
	2. I would recommend the website to someone who seeks my advice (based on Srinivasan, Anderson and Ponnnavolu 2002 and Wolfinbarger and Gilly 2003).	
	3. As long as the present service continues, I doubt that I would switch websites (Based on Srinivasan, Anderson and Ponnnavolu 2002).	
	4. I believe this is my favorite retail web site in this product category (Based on Srinivasan, Anderson and Ponnnavolu 2002).	

Affective	Measured	Cronbach
<b>Satisfaction:</b> “the consumer senses that consumption fulfills some need, desire, goal, or so forth and that this fulfillment is pleasurable” (Oliver 1999, p.34-35)	1. I am pleased with the online shop for all my purchases. (Based on Olsen, 2002 and Ganesan, 2004).	.887
	2. I am satisfied with the online shop for all my purchases (Based on Olsen, 2002 and Ganesan, 2004).	
<b>Trust:</b> “the confidence one places in a partner on the basis of feelings generated by the level of care and concern the partner demonstrates” (Johnson and	1. The online shop displays a warm and caring attitude towards me (Grayson and Johnson, 2005)	.749
	2. I trust this online shop (Constantinides, 2004)	
	3. The online shop is interested in my well being and not just its own (McKnight, Choudhury and Kacmar, 2002)	

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Grayson, 2005, p.501)

## Cognitive (Controllable)

**Usability:** “the ability to find one’s way around the Web, to locate desired information, to know what to do next and, very importantly, to do so with minimal effort” (Nah and Davis, 2002)

1.	The information that I need is easy to find on this website (Based on Casaló, Flavian and Guinalú 2008 and Wolfinbarger and Gilly 2003)	.889
2.	I know at any moment where I am on the website (Based on Casaló, Flavian and Guinalú 2008)	
3.	I am able to shop efficiently on the website (Based on Casaló, Flavian and Guinalú 2008 and Wolfinbarger and Gilly 2003)	

**Interactivity:** “the online retailer capability to respond to customers’ needs”

1.	I receive reminders about making purchases from this website (Srinivasan, Anderson and Ponnayolu 2002)	.639
2.	The company is willing and ready to respond to customer needs (Srinivasan, Anderson and Ponnayolu 2002 and Wolfinbarger and Gilly, 2003)	
3.	The status of the order is clear to me (Based on Srinivasan, Anderson and Ponnayolu, 2002)	

**Privacy and security:** “the security of credit card payments and privacy of shared information” (Wolfinbarger and Gilly, 2003 p.193).

1.	I feel like my privacy is protected at this website (Wolfinbarger and Gilly, 2003)	.861
2.	I feel safe in my transactions with this website (Wolfinbarger and Gilly, 2003)	
3.	This website has adequate security features (Wolfinbarger and Gilly, 2003)	

**Enjoyment:** “The creative part of the website”

1.	The website design is attractive to me (Srinivasan, Anderson and Ponnayolu, 2002)	.865
2.	For me, shopping at this website is fun (Srinivasan, Anderson and Ponnayolu, 2002)	
3.	I found my visit to this website entertaining (Cyr et al., 2007)	

**Merchandize:** “Information regarding the product choice”

1.	The choice of products at this website is broad (Srinivasan, Anderson and Ponnayolu, 2002 and Constantinides, 2004)	.676
2.	The website offers very competitive prices (Constantinides, 2004)	
3.	The products I receive from this website are of high quality (Constantinides, 2004)	

**Fulfillment** “(a) the accurate display and description of a product so that what customers receive is what they thought they ordered, and (b) delivery of the right product within the time frame promised” Wolfinbarger and Gilly (2003)

1.	You get what you ordered from this website (Wolfinbarger and Gilly, 2003).	.857
2.	The product is delivered by the time promised by the company (Wolfinbarger and Gilly, 2003).	
3.	The product that came was represented accurately by the website (Wolfinbarger and Gilly, 2003).	

## Cognitive (Uncontrollable)

**Social media (Interior)** “All the social media that is placed the online retail shop”

1.	Customers share experiences about all the website/product online with other customers of the website (Srinivasan, Anderson and Ponnayolu, 2002).	.878
2.	The customer community supported by this website is useful for gathering product information (Srinivasan, Anderson and Ponnayolu, 2002).	
3.	Customers of this website benefit from the community sponsored by the website (Srinivasan,	

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	Anderson and Ponnaolu, 2002).	
<b>Social media (exterior)</b> “All the social media that a consumer uses that is not placed on the online shop”	1. Use of social media to gain advice from friends and acquaintances relating the online shop.	.674
	2. The influences of social media on purchasing from an online shop.	

table 4: Operationalizing variables

## 4 Analysis of data

The method that is used for analyzing the obtained result from the online survey is multiple regression analyze. The reason for choosing this method lies in the fact that the model have more than one explaining variable (figure 6). This research uses the steps of Moore and McGabe (2006) to do the multiple regression. This chapter first start with information about the respondents.

### 4.1 Respondents information

The survey was completed by almost as many woman as men (50,8%). Most of the respondents are between 17-25 years of age (60%). A large percentage have accomplished higher vocational or university (80,3%). According to McKnight, Choudhury and Kacmar (2002) online consumers are generally younger and more highly educated than conventional consumers. These results are also similar to the study of Chang and Chang (2008). Most of respondents have online shopping experience at least three years or more (71,4%). Fifty-one percentage spend between the 20 and 50 euro a month online (see table 5 for more detail).

		Frequency	Percent
<b>Gender</b>	Male	64	50.8
	Female	62	49.2
<b>Age</b>	17-25	60	46.9
	26-35	35	27.3
	36-45	18	14.1
	46+	15	11.7
<b>Education</b>	Secondary Education	18	14.1
	Intermediate vocational	20	15.6
	Higher vocational	54	42.2
	University	36	28.1
<b>Experience</b>	Less than 1 year	3	2.3
	Between the 1 and 3 year	21	16.3
	Between the 3 and 5 year	47	36.4
	Between the 5 and 7 year	28	21.7
	7 years or more	30	23.3
<b>Spending</b>	Less than 20 euro	48	37.2
	Between 20 and 50 euro	66	51.2
	Between 50 and 100 euro	12	9.3
	More than 100 euro	3	2.3

Table 5: Background information

### 4.2 Preliminary analysis

The online survey was filled in by 191 respondents and 133 of those were usable. Most of the unusable results were obtained after <http://www.frankwaching.com> posted a tweet on their twitter account. The researchers believe that most of those respondents just wanted a quick glance on the survey. Of the remaining 133 usable responses a few items had missing data, those were removed from further analysis (Babbie, 2007). To measure the internal consistency of the items in order to create scales Cronbach's alpha was first calculated. The results are shown in table 4 and should exceed 0,7 (Nunnally,1978; Hair, Anderson, Tatham & Black, 1998) for reflective constructs (Petter,

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Straub and Rai, 2007). A reflective construct have measurements that are affected by some unobservable construct. Changes in the construct will cause all of the measurements to reflect this change and internal consistency is important (Petter, Straub and Rai, 2007). Formative constructs are a composite of multiple measures and internal consistency is unimportant (Petter, Straub and Rai, 2007). The formative constructs in this study are Interactivity, Merchandize and Social media (interior and exterior), where the rest is reflective. All the reflective constructs are above 0.7 (table 5).

The first step is to carefully analyze each variable on its own, by looking at the mean, standard deviation, minimum and maximum values(table 7). All the variables are summarized in appendix 7.3.1 and have been examined using histograms and boxplots for deviations. The average scores of the variables are high, which could mean that the quality of the online shops in this study are also high.

Variable	N	Mean	Std Dev	Minimum	Maximum
Loyalty	133	3.7807	.86563	1	5
Satisfaction	133	3.9211	.79735	2	5
Trust	133	3.4687	.69150	1.67	5
Usability	133	4.1604	.75389	1.33	5
Interactivity	132	3.6124	.66698	1.25	5
Privacy/Security	133	3.8697	.70452	1.33	5
Enjoyment	132	3.7879	.77193	1.67	5
Merchandize	133	4.0677	.67390	1.33	5
Fulfillment	132	4.2260	.75809	1	5
Social media (I)	133	3.3358	1.01379	1	5
Social media (e)	133	2.7632	.98776	1	5

Table 6: Variable characteristics

### 4.3 Relationship between pairs of variables

The second step involves the relationship between the variables. This relationship can be examined using correlations (Moore and McGabe, 2006). The correlation between the variables are shown in table 7. The online controllable marketing factors all significantly correlate to trust, satisfaction and loyalty, whereas the online uncontrollable marketing factors only interior social media significantly correlate with trust, satisfaction and loyalty. All the variables significantly correlate with each other except with exterior social media. But as Moore and McGabe (2006, p.691-692) pointed out “The fact that the correlation of a particular explanatory variable with the response variable does not achieve statistical significance does not necessarily imply that it will not be a useful (and significant) predictor in a multiple regression”.

	Usab.	Inter.	Sec.	Enjoy.	Merch.	Ful.	Inter.	Exter.	Trust	Satis.	Loy.
Usability	1	,642**	,577**	,653**	,600**	,592**	,242**	-,054	,488**	,490**	,570**
		,000	,000	,000	,000	,000	,005	,539	,000	,000	,000
Interactivity	,642**	1	,509**	,594**	,474**	,469**	,388**	,046	,535**	,462**	,549**
	,000		,000	,000	,000	,000	,000	,602	,000	,000	,000
Security	,577**	,509**	1	,497**	,528**	,607**	,282**	-,019	,455**	,485**	,521**
	,000	,000		,000	,000	,000	,001	,826	,000	,000	,000
Enjoyment	,653**	,594**	,497**	1	,496**	,467**	,231**	-,061	,502**	,469**	,619**
	,000	,000	,000		,000	,000	,008	,485	,000	,000	,000



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Merchandize	,600**	,474**	,528**	,496**	1	,669**	,382**	,119	,518**	,574**	,585**
	,000	,000	,000	,000		,000	,000	,172	,000	,000	,000
Fulfillment	,592**	,469**	,607**	,467**	,669**	1	,274**	,076	,453**	,624**	,545**
	,000	,000	,000	,000	,000		,002	,388	,000	,000	,000
Interior	,242**	,388**	,282**	,231**	,382**	,274**	1	,175*	,225**	,335**	,344**
	,005	,000	,001	,008	,000	,002		,044	,009	,000	,000
Exterior	-,054	,046	-,019	-,061	,119	,076	,175*	1	,079	,003	,002
	,539	,602	,826	,485	,172	,388	,044		,368	,977	,982
Trust	,488**	,535**	,455**	,502**	,518**	,453**	,225**	,079	1	,599**	,575**
	,000	,000	,000	,000	,000	,000	,009	,368		,000	,000
Satisfaction	,490**	,462**	,485**	,469**	,574**	,624**	,335**	,003	,599**	1	,615**
	,000	,000	,000	,000	,000	,000	,000	,977	,000		,000
Loyalty	,570**	,549**	,521**	,619**	,585**	,545**	,344**	,002	,575**	,615**	1
	,000	,000	,000	,000	,000	,000	,000	,982	,000	,000	

Table 7: Correlation between variables

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

### 4.4 Regression analyses between cognitive and affective

To examine the relationship between the independent and the dependable variables multiple regression analyses was undertaken. Chapter two discuss that the cognitive factors influence the affective factors which in turn influence the conation and action factor. The regression analysis starts with the first relationship between the cognitive and affective factors. Where the cognitive factors are the independent factors and the affective factors (satisfaction and trust) are the dependable factors. The first regression is between the cognitive factors and satisfaction.

#### 4.4.1 Cognitive factors and satisfaction

First the relationship between the cognitive factors and satisfaction was analyzed. The first analyze contained all the cognitive factors (controllable and uncontrollable), because all the factors are expected to influence the affective factors (figure 9). This model explains 45% of the variance in satisfaction with only fulfillment being significant (Appendix 7.3.2). Because cognitive factors consists of two parts, the two parts are also investigated separately. First the online marketing controllable factors are analyzed (Appendix 7.3.3). The results shows that this model significantly impacts satisfaction and explain 44,3% of the variance and thereby supporting hypothesis 2A. The factors merchandize and fulfillment were the only factors in the model that were significant. Secondly the relationship between social media interior and exterior and satisfaction were examined (Appendix 7.3.4). This model is significant and explains 10,2% of the variance in satisfaction. Supporting hypothesis 2C. In this model only interior is significant. When the model includes all the marketing controllable and marketing uncontrollable factors that were found to significantly influence satisfaction the model explains 44% of satisfaction, where only merchandize and fulfillment are significant (Appendix 7.3.5). The last regression analyses was between merchandize, fulfillment and satisfaction, this model explains 42,8% of the variance in satisfaction and both are significant (figure 11 and table 8). Because the model only explain 1,2% less of satisfaction when interior is not



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included and because both factors remain significant the last model is kept in influencing satisfaction. Fulfillment(.426) have a greater impact on Satisfaction than merchandize(.295). The impact of fulfillment and merchandize is lower than in table 7, because of the correlation between these two (Moore and McGabe, 2006).

The regression equation is:  $Satisfaction = 0.604 + 0.349Merchandize + .450Fulfillment$ .

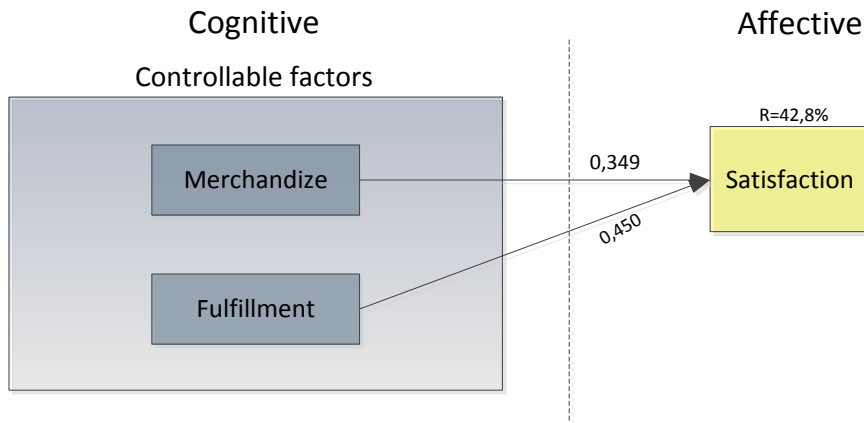


Figure 11: Cognitive factors and satisfaction

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,604	,341		1,771	,079
Merchandize	,349	,105	,295	3,318	,001
Fulfillment	,450	,094	,426	4,799	,000

<sup>a</sup>. Dependent Variable: Satisfaction

Table 8: Cognitive factors and Satisfaction

## 4.4.2 Cognitive factors and trust

The second analysis is between the cognitive factors and trust. The same steps that were taken in the previous section are also taken here. When all the cognitive factors are included in the model 39,2% of the variance in trust is explained, with interactivity, merchandize and enjoyment being significant (Appendix 7.3.7). First the online controllable marketing factors are investigated and secondly the online uncontrollable marketing factors. The first model is significant and explains 39,7% of the variance in trust, thereby supporting hypothesis 2B (Appendix 7.4.8). The factors merchandize, interactivity and enjoyment being the only factors that are significant in the model. The second model is significant and explains 3,8% of the variance in trust, thereby supporting hypothesis 2D (Appendix 7.3.9). The only factor that is significant is social media interior. When the model includes all the factors that are found to be significant (merchandize, interactivity, enjoyment and social media interior) the model explains 40,4%. Social media interior is no longer significant in this model and in fact is negatively related to trust (Appendix 7.3.10). The final model contains interactivity, merchandize and enjoyment and this final model explains 40,5% of the variance in trust and all the factors are significant (Figure 12 and Table 9). Merchandize(0.312) impacts trust the most followed by interactivity(0,257) and enjoyment(0,217).

The regression equation is:  $Trust = 0.391 + 0,331Merchandize + 0.268Interactivity + .200Enjoyment$ .

# What makes customers stay loyal

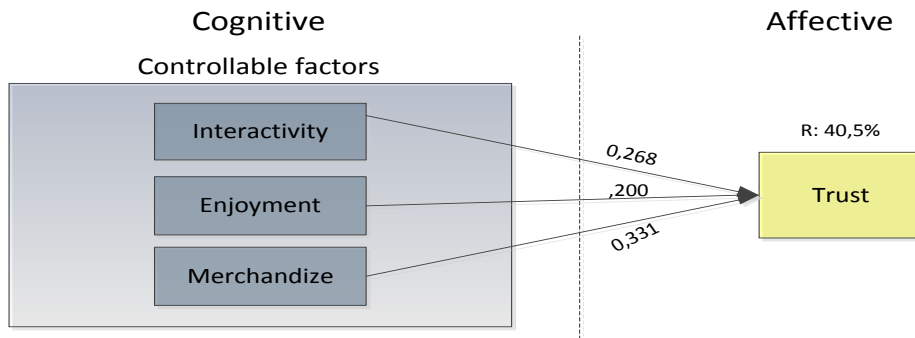


Figure 12: Cognitive factors and Trust

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,391	,328		1,194	,235
Interactivity	,268	,091	,257	2,927	,004
Enjoyment	,200	,080	,217	2,494	,014
Merchandize	,331	,085	,312	3,897	,000

<sup>a</sup>. Dependent Variable: Trust

Table 9: Cognitive factors and Trust

## 4.5 Regression analyses between affective and conation action

The previous section investigated the relationship between cognitive factors and the affective factors. The analyses showed that merchandize and fulfillment significantly influence satisfaction and explains 42,8%. Interactivity, enjoyment and merchandize significantly influence trust and explains 40,5% of the variance in trust. This section investigate the relationship between the affective factors (satisfaction and trust) and the conation and action factor (loyalty), where loyalty is the dependable factor (figure 13). The result shows that satisfaction and trust significantly relate to loyalty and explains 44% of the variance (figure 13). Satisfaction(0.422) explains more of the variance than trust (0.322). Satisfaction (37%) and trust (33%) alone in the model explain less than combined (Appendix 7.3.13 and 7.3.14).

The regression equation is:  $Loyalty = 0.585 + 0.403Trust + .458Satisfaction$ . This result supports hypothesis 1.

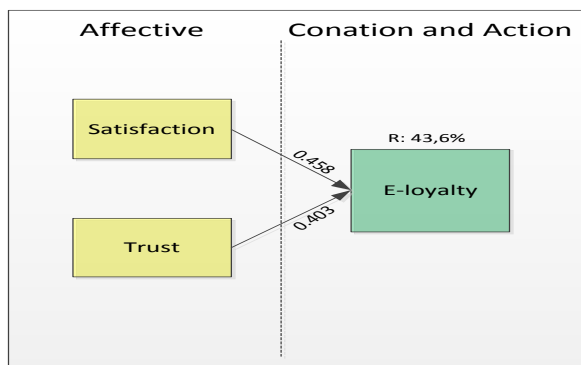


Figure 13: Affective factors and conation/action

# What makes customers stay loyal

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,585	,319		1,833	,069
Satisfaction	,458	,089	,422	5,173	,000
Trust	,403	,102	,322	3,946	,000

a. Dependent Variable: Loyalty

Table 10: affective factors and conation/action

## 5 Conclusion and implication

This chapter will link all the previous chapters and show the contribution that is made in theory and how this can be useful in practice. Also the limitation of the research will be revealed and direction for further research will be given.

### 5.1 Conclusion

Loyalty is essential for online retailers to remain profitable over a long period of time as chapter one showed. Because of the importance loyalty for online retailers the objective of this research was to identify the factors that influence a consumer to become loyal to an online shop. To address this objective the main research question is “What are the factors that influence a consumer to become loyal to an online retailer?”. This main question was further divided into three sub questions to make sure it was manageable.

- **What is loyalty and how can loyalty be measured?**
- **What are the factors that can be found in the literature that influence loyalty and how are these connected?**
- **Are those factors also found empirically?**

To answer these questions a literature review and an empirical research was performed. From the literature review it became clear that there are two streams of loyalty (section 2.3.1). This research used the second stream that also included the psychological commitment and is a stronger form of loyalty than the other stream that focusses solely on purchase pattern. Loyalty according to this study is “a customer’s favorable attitude toward the e-retailer that results in repeat buying behavior” Srinivasan, Anderson and Ponnnavolu (2002 p.42) and measures both the attitude as well as the repeat buying behavior.

The second sub question focusses on all the factors that influence loyalty. An extensive literature review was performed and resulted in the factors that can be found in table 1(chapter 2). By using the attitude structure model and the consumers decision model the factors are connected to each other resulting in the research model. The main conclusion from the attitude model is that cognitive factors influence the affective factors which in turn influence the conation and action factor. The consumer decision model was used to divide the factors in the online controllable and online uncontrollable factors.

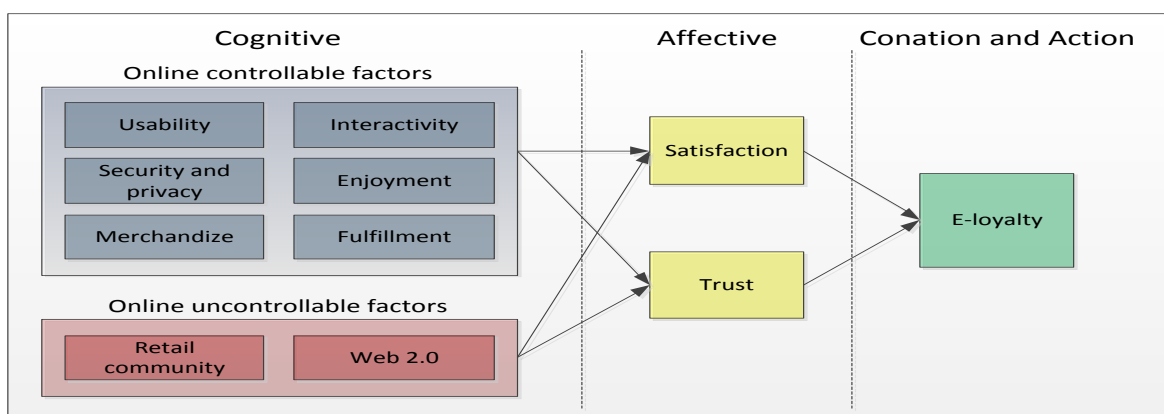


Figure 14: research model

# What makes customers stay loyal

The third sub question was to investigate the new model (figure 14) empirically using hypotheses. An online survey was distributed along online Dutch consumers who have purchased psychical products online before. The reason for psychical products lies in the fulfillment factors that is more difficult for these type of products than for downloaded products. The results in chapter four showed that all the hypotheses are supported.

- *H1: Affective factors will be positively be related to loyalty*
- *H2A: The online controllable marketing factors will be positively be related to trust*
- *H2B: The online controllable marketing factors will be positively be related to satisfaction*
- *H2C: The online uncontrollable marketing factors will be positively related to trust*
- *H2D: The online uncontrollable marketing factors will be positively related to satisfaction*

Further analyses showed that actually a few cognitive factors influence the affective factors (figure 15). The cognitive marketing controllable factors fulfillment(,450) and merchandize(,349) are the only two factors that significantly influence satisfaction and explain 42,8% of the variance. Trust is a significantly influenced by the cognitive marketing controllable factors merchandize(,331), interactivity(,268) and enjoyment(,200) and explain 40,5% of the variance. Loyalty is significantly influenced by satisfaction(,458) as well as trust(,403) and explains 43,6% of the variance.

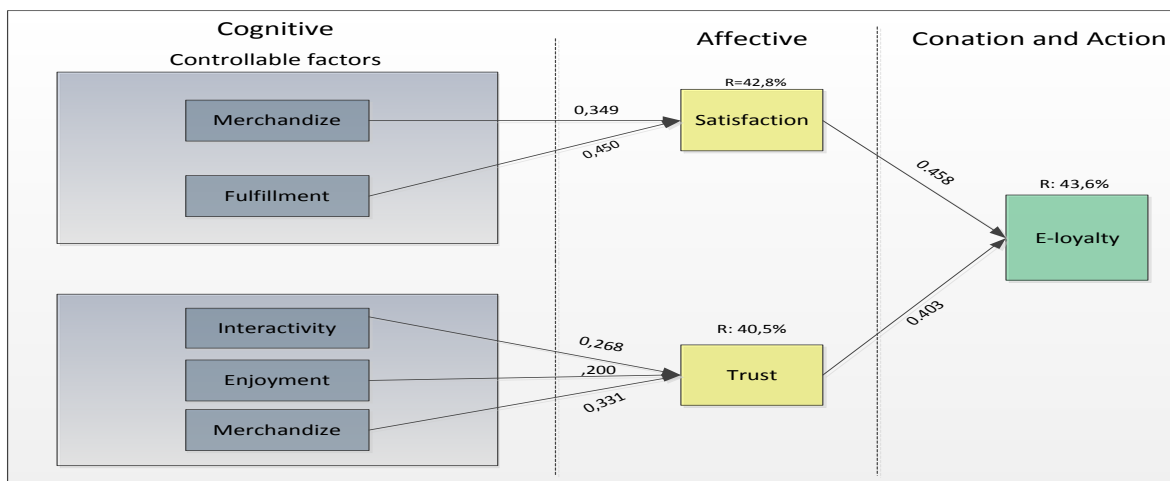


Figure 15: Factors remained after empirically research

The model that is showed above (figure 15) is the result of three separated multiple regression analyses. The cognitive marketing uncontrollable factor is completely removed because these factors are not significant when the factors in figure 15 are included in the model. This is also the case for the other cognitive marketing controllable x factors.

Now the three sub questions are answered the main question “What are the factors that influence a consumer to become loyal to an online retailer?” can be addressed. E-Loyalty can be influenced by keeping the online consumer satisfied and to make sure that they trust the online retailer. These two factors can be influenced by the online controllable marketing factors merchandize, fulfillment, interactivity, enjoyment.

## 5.2 Contribution to theory & practice

To the knowledge of the author this is the first research that combined the attitude structure model together with the consumer decision model. The strength of combining these two types of models is the separate investigation of the uncontrollable and controllable marketing factors on the affective factors. Also the number of papers that has been investigated to find important factors in online loyalty is more than most research papers (table 1). The way that the factors are clustered in table 2 and 3 is also new in online loyalty research. This research showed that the uncontrollable factors only explain 10,2% of the variance in satisfaction and 3,8% of the variance in trust. The controllable factors seems to be much more important in explaining the satisfaction and trust of consumers. Four factors are very important in building trust and keeping the consumer satisfied. Those are merchandise, fulfillment, interactivity and enjoyment . What is worth noting is that, besides the online features interactivity and enjoyment, the offline features fulfillment and merchandize are important as well in explaining satisfaction and trust (Ahn,Ryu and Han, 2004).

This research supports the attitude structure and found that the cognitive factors significantly influence the affective factors which in turn significantly influence the conation and action factor. Trust and satisfaction are found to significantly influence loyalty which is in line with most research (Anderson and Srinivasan, 2003; Flavián, Guinalú and Gurrea, 2006; Christobal, Flavián and Guinalú, 2007; Cyr et al., 2007; Casaló, Flavian, and Guinalú, 2008; Chang and Chen, 2008; Kim, Jin and Swinney, 2009; Chang Chen, 2009; Kim, Ferrin and Rao, 2009; Jin and Kim, 2010; Yang, Cheng and Chan, 2010; Christodoulides and Michaelidou, 2010; Chen, Huang and Chen, 2011; Ghane, S., Fathian, M. and Gholamian, 2011).

Since the influence of the other factors are more fragmented (table1), this research will compare the results that are obtained with those research papers which objective come close to this research. When other factors are included we didn't found usability to influence satisfaction, this result is also found by Chang and Chen (2008) who found that convenience didn't significantly influence satisfaction. They also found that interactivity, customization and character significantly influence satisfaction. According to our results these factors(interactivity and enjoyment) only significantly influence trust, this was not a factor in their research. The research of Kim, Jin and Swinney (2009) is also closely related to this research. They found that fulfillment/reliability significantly influence trust and satisfaction, this research only found a significant relation between fulfillment and satisfaction. Website design significantly impact satisfaction and security/privacy significantly influence trust in the research of Kim, Jin and Swinney (2009). This research found that enjoyment influence trust and security and privacy didn't significantly influence trust. Wolfinbarger and Gilly (2003) also didn't found a significant relation between security and privacy and trust. This research agrees with Wolfinbarger and Gilly (2003) that security and privacy are perhaps obtained from other factors.

Satisfaction is about the ability of the online retailer to meet the past expectation of the consumer (Zhou, Lu and Wang, 2009). It is the overall experience that the consumer have with the online retailer. Perhaps it is not surprising that merchandize and fulfillment are the two factors that remain significant. Because a purchase is still about obtaining a high quality product against a reasonable price and fulfillment is important to receive the right product at the right time. These two factors are, except aftersales, the last two factors that the consumer experience with the online shop. The offline features (Ahn, Ryu and Han, 2004) are more important than the online features in raising consumers satisfaction in this research.

Where satisfaction is about the past behavior of the online retailer, trust is about the future behavior of the online retailer (Zhou, Lu and Wang, 2009). Trust can be raised by the online features interactivity and enjoyment and the offline feature merchandize. Perhaps this finding is also not surprising. During buying process consumers navigate through the site and look for items they want to buy. If they experience this process as fun, enjoying and the website is willing to respond to consumers' needs than this raises the trust of the consumers. If the online shop have the item that the consumer is searching for and this item is of high quality, which could be assessed by the brand, than this also raises the trust that the consumer put in the online retailer.

Satisfaction and trust both significantly influence loyalty. Online retailers should find out if their consumers are satisfied and if they trust the online retailer. If the online retailer have the answer to this question they know in which factors they should invest. Is they must raise satisfaction, they should invest in the offline factors merchandize and fulfillment. Merchandize involves a wide product selection with high quality products against competitive prices. Fulfillment is about sending the right product at the promised time. If the online retailer wants to raise consumers trust than they should invest, besides merchandize, also in the online feature enjoyment and interactivity. The online retailers website should be attractive and fun to shop at. Interactivity can be raised by responding to consumer's needs, give the status of the order, let the consumer tailor the website and send the consumer proactively information.

### **5.3 Limitation and further research**

The main limitation of this research is the sampling technique which has been used. The researcher was unable to perform a probability sampling method and used a snowball technique instead. This could bias the results that has been obtained. Another limitation is the number of respondents (132) which is not very high comparing to the other research that has been conducted (table 1). The researcher has chosen for multiple regression analyses to perform the data analyze, which could be a limitation. The researcher was familiar with this type of analysis. Perhaps the model (figure 9) was better suited for structural equation modeling (SEM). This research was performed in the Netherlands and the results could be different in other countries.

Besides addressing the limitation above the following issues are worth investigating. Although this research didn't find that the uncontrollable marketing factors influence the affective factors, once the controllable marketing factors are involved, the researchers believes that this can still be the case. Although the consumers are familiar with the online shop, they may still be influenced by other consumers. In fact some consumers consider a review from other consumers more reliable than of experts (Constantinides, Lorenzo and Gómez, 2008). As mentioned this was the first research that tapped into this area. Perhaps other researchers could use different items to measure this. This research found that the last steps in the purchase process are more important than the first steps in explaining satisfaction. Is should be interesting if indeed the last contact points that a consumer experience with an online retailer is more important than the first contact points in explaining satisfaction. Perhaps a researcher can investigate two separate online retailers whereby the offline features are the same and the online features are varying in quality.



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## 7 Appendix

### 7.1 Survey English

#### 7.1.1 Cognitive (online controllable marketing factors)

##### **Usability** (Casaló, Flavían and Guinalú, 2008)

It is easy to find the information I need from this website

The organization of the contents of this site makes it easy for me to know where I am when navigating it

The website doesn't waste my time

##### **Interactivity** (Srinivasan, Anderson and Ponnnavolu, 2002 and Wolfinbarger and Gilly, 2003)

The website allows me to interact with it to receive tailored information

This website proactively sends me information that is relevant to my purchases

The website is ready and willing to respond to consumers needs

I can always find the status of my order

##### **Security/privacy** (Wolfinbarger and Gilly)

I feel like my privacy is protected at this website

I feel safe in my transactions with this website

The website has adequate security features

##### **Enjoyment** (Srinivasan, Anderson and Ponnnavolu, 2002 and Cyr et al, 2007)

The website design is attractive to me

For me, shopping at this website is fun

I found my visit to this website entertaining

##### **Merchandize** (Srinivasan, Anderson and Ponnnavolu, 2002 and Constantinides, 2004)

The products I receive from this website are of high quality

The choice of products at this website is broad

The website offers very competitive prices

##### **Fulfillment** (Wolfinbarger and Gilly, 2003)

You get what you ordered from this website

The product is delivered by the time promised by the company

The product that came was represented accurately by the website

#### 7.1.2 Cognitive (online uncontrollable marketing factors)

##### **Social media interior** (Srinivasan, Anderson and Ponnnavolu, 2002)

Customers share experience about the website/product online with other customers

The customer community supported by this website is useful for gathering product and service information

Customers of this website benefit from the community sponsored by the website.

**Social media exterior** I use social media to search for information about the online retailer (which is not organized or maintained by the retailer)

#### 7.1.3 Affective factors

##### **Satisfaction** (Olson, 2002 and Ganesan, 1994)

I feel satisfied using this online retailer for all my related purchases

I am happy that I use this online retailer for my purchases

##### **Trust** (Johnson and Grayson 2005, Constantinides, 2004, McKnight, 2002)

My online retailer would act in my best interest.

My online retailer displays a warm and caring attitude towards me.



I trust this online retailer

## 7.1.4 Conation and action factor

**Loyalty** (Srinivasan, Anderson and Ponnayolu, 2002 and Wolfinbarger and Gilly, 2003)

As long as the present service continues, I doubt that I would switch websites.

When I need to purchase the same kind of product, this website is my first choice.

I would recommend the website to someone who seeks my advice.

I believe that this is my favorite retail website.

## 7.2 Survey Dutch

### 7.2.1 Cognitive (online controllable marketing factors)

#### Usability

- De informatie die ik nodig heb kan ik gemakkelijk vinden bij deze webwinkel .
- Ik weet op elk moment waar ik me bevind op de website van de webwinkel.
- Ik kan efficiënt winkelen bij deze webwinkel.

#### Interactivity

- Bij deze webwinkel kan ik mijn wensen aangeven en de webwinkel speelt hierop in.
- Ik word door de webwinkel herinnerd (bijvoorbeeld door een e-mail) om aankopen daar te gaan doen.
- Deze webwinkel is bereid om te reageren op mijn vragen.
- De orderstatus is duidelijk voor mij.

#### Privacy/Security

- Ik heb het gevoel dat mijn privacy gewaarborgd is bij deze webwinkel.
- Deze webwinkel is voldoende beveiligd.
- Ik heb het gevoel dat ik een veilige transactie kan doen bij deze webwinkel.

#### Enjoyment

- De vormgeving van de webwinkel spreekt mij aan.
- Ik vind het winkelen bij deze webwinkel leuk.
- Ik vind het prettig om te winkelen in deze webwinkel.

#### Merchandize

- De producten die ik ontvang van deze webwinkel zijn van hoge kwaliteit.
- De productkeuze bij deze webwinkel is ruim.
- De webwinkel biedt producten tegen concurrerende prijzen aan.

#### Fulfillment

- Je krijgt wat je besteld hebt bij deze webwinkel.
- Het product wordt geleverd op het afgesproken tijdstip.  
Het ontvangen product was goed weergegeven door de webwinkel.

### 7.2.2 Cognitive (online uncontrollable marketing factors)

#### Social media interior

- Bij de webwinkel delen consumenten hun ervaringen over de website/producten online met andere consumenten.
- De klanten ervaringen bij de webwinkel is nuttig om product en service informatie in te winnen.
- Als klant heb ik voordeel van de ervaringen die andere delen bij de webwinkel.

#### Social media exterior

- Ik gebruik social media om advies in te winnen bij vrienden of kennissen over de webwinkel voordat ik een aankoop doe.
- Wat ik lees op social media beïnvloed of ik een aankoop doe bij de webwinkel.

## 7.2.3 Affective factors

### Satisfaction

- Ik ben tevreden over het gebruiken van deze webwinkel voor al mijn aankopen.
- Ik ben blij dat ik deze webwinkel heb gekozen voor al mijn aankopen.

### Trust

- De webwinkel handelt in mijn belang en niet alleen in zijn eigen belang.
- De webwinkel toont een warm en zorgzaam gevoel naar de consument.
- Ik vertrouw de online webwinkel.

## 7.2.4 Conation and action factor

### Loyalty (Q 30,31,32)

- Als ik hetzelfde type product moet kopen dan is deze webwinkel mijn eerste keus.
- Ik zal deze webwinkel adviseren als iemand om mijn advies vraagt.
- Zolang de huidige service zo blijft, verander ik niet van webwinkel.
- Ik geloof dat dit mijn favoriete webwinkel is bij dit type product.



# What makes customers stay loyal

## 7.3 Statistics

### 7.3.1 Frequencies of factors

**Usability**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,33	2	1,5	1,5	1,5
	2,00	1	,8	,8	2,3
	2,33	2	1,5	1,5	3,8
	2,67	3	2,3	2,3	6,0
	3,00	3	2,3	2,3	8,3
	3,33	6	4,5	4,5	12,8
	3,67	11	8,3	8,3	21,1
	4,00	48	36,1	36,1	57,1
	4,33	12	9,0	9,0	66,2
	4,67	7	5,3	5,3	71,4
	5,00	38	28,6	28,6	100,0
	Total	133	100,0	100,0	

**Interactivity**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,25	1	,8	,8	,8
	1,75	1	,8	,8	1,5
	2,00	1	,8	,8	2,3
	2,25	1	,8	,8	3,0
	2,50	3	2,3	2,3	5,3
	2,75	8	6,0	6,1	11,4
	3,00	17	12,8	12,9	24,2
	3,25	11	8,3	8,3	32,6
	3,50	24	18,0	18,2	50,8
	3,75	16	12,0	12,1	62,9
	4,00	24	18,0	18,2	81,1
	4,25	9	6,8	6,8	87,9

# What makes customers stay loyal

	4,33	1	,8	,8	88,6
	4,50	6	4,5	4,5	93,2
	4,75	5	3,8	3,8	97,0
	5,00	4	3,0	3,0	100,0
	Total	132	99,2	100,0	
Missing	System	1	,8		
Total		133	100,0		

## Security

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,33	1	,8	,8	,8
	1,67	1	,8	,8	1,5
	2,33	1	,8	,8	2,3
	2,67	4	3,0	3,0	5,3
	3,00	17	12,8	12,8	18,0
	3,33	14	10,5	10,5	28,6
	3,67	14	10,5	10,5	39,1
	4,00	42	31,6	31,6	70,7
	4,33	17	12,8	12,8	83,5
	4,67	6	4,5	4,5	88,0
	5,00	16	12,0	12,0	100,0
	Total	133	100,0	100,0	

## Merchandize

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,33	1	,8	,8	,8
	2,33	4	3,0	3,0	3,8
	2,67	4	3,0	3,0	6,8
	3,00	2	1,5	1,5	8,3
	3,33	7	5,3	5,3	13,5
	3,67	22	16,5	16,5	30,1
	4,00	33	24,8	24,8	54,9

## What makes customers stay loyal

4,33	22	16,5	16,5	71,4
4,67	23	17,3	17,3	88,7
5,00	15	11,3	11,3	100,0
Total	133	100,0	100,0	

### Enjoyment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,67	1	,8	,8	,8
	2,00	5	3,8	3,8	4,5
	2,33	4	3,0	3,0	7,6
	2,67	3	2,3	2,3	9,8
	3,00	18	13,5	13,6	23,5
	3,33	7	5,3	5,3	28,8
	3,67	17	12,8	12,9	41,7
	4,00	43	32,3	32,6	74,2
	4,33	13	9,8	9,8	84,1
	4,67	6	4,5	4,5	88,6
	5,00	15	11,3	11,4	100,0
	Total	132	99,2	100,0	
Missing	System	1	,8		
Total		133	100,0		

### Fulfillment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,00	1	,8	,8	,8
	1,67	2	1,5	1,5	2,3
	2,33	2	1,5	1,5	3,8
	2,50	1	,8	,8	4,5
	3,00	3	2,3	2,3	6,8
	3,33	7	5,3	5,3	12,1
	3,67	8	6,0	6,1	18,2
	4,00	44	33,1	33,3	51,5
	4,33	10	7,5	7,6	59,1

## What makes customers stay loyal

	4,67	14	10,5	10,6	69,7
	5,00	40	30,1	30,3	100,0
	Total	132	99,2	100,0	
Missing	System	1	,8		
Total		133	100,0		

### Social media interior

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,00	4	3,0	3,0	3,0
	1,33	1	,8	,8	3,8
	1,67	5	3,8	3,8	7,5
	2,00	10	7,5	7,5	15,0
	2,33	8	6,0	6,0	21,1
	2,67	9	6,8	6,8	27,8
	3,00	22	16,5	16,5	44,4
	3,33	15	11,3	11,3	55,6
	3,67	11	8,3	8,3	63,9
	4,00	23	17,3	17,3	81,2
	4,33	4	3,0	3,0	84,2
	4,67	10	7,5	7,5	91,7
	5,00	11	8,3	8,3	100,0
Total		133	100,0	100,0	

# What makes customers stay loyal

## Social Media Exterior

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,00	13	9,8	9,8	9,8
	1,50	6	4,5	4,5	14,3
	2,00	24	18,0	18,0	32,3
	2,50	17	12,8	12,8	45,1
	3,00	38	28,6	28,6	73,7
	3,50	7	5,3	5,3	78,9
	4,00	22	16,5	16,5	95,5
	4,50	3	2,3	2,3	97,7
	5,00	3	2,3	2,3	100,0
	Total	133	100,0	100,0	

## Satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2,00	7	5,3	5,3	5,3
	2,50	4	3,0	3,0	8,3
	3,00	17	12,8	12,8	21,1
	3,50	10	7,5	7,5	28,6
	4,00	57	42,9	42,9	71,4
	4,50	13	9,8	9,8	81,2
	5,00	25	18,8	18,8	100,0
	Total	133	100,0	100,0	

## Trust

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,67	1	,8	,8	,8
	2,00	5	3,8	3,8	4,5
	2,33	9	6,8	6,8	11,3

## What makes customers stay loyal

2,67	6	4,5	4,5	15,8
3,00	19	14,3	14,3	30,1
3,33	25	18,8	18,8	48,9
3,67	27	20,3	20,3	69,2
4,00	24	18,0	18,0	87,2
4,33	10	7,5	7,5	94,7
4,67	3	2,3	2,3	97,0
5,00	4	3,0	3,0	100,0
Total	133	100,0	100,0	

### Loyalty

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1,00	1	,8	,8	,8
	1,25	2	1,5	1,5	2,3
	1,75	1	,8	,8	3,0
	2,00	4	3,0	3,0	6,0
	2,25	4	3,0	3,0	9,0
	2,50	2	1,5	1,5	10,5
	2,75	5	3,8	3,8	14,3
	3,00	6	4,5	4,5	18,8
	3,25	8	6,0	6,0	24,8
	3,50	9	6,8	6,8	31,6
	3,67	1	,8	,8	32,3
	3,75	15	11,3	11,3	43,6
	4,00	37	27,8	27,8	71,4
	4,25	8	6,0	6,0	77,4
	4,50	8	6,0	6,0	83,5
	4,67	1	,8	,8	84,2
	4,75	5	3,8	3,8	88,0
	5,00	16	12,0	12,0	100,0
Total		133	100,0	100,0	

# What makes customers stay loyal

## 7.3.2 Regression between cognitive and satisfaction

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,298	,392		,760	,449
Usability	-,035	,113	-,033	-,309	,758
Interactivity	,103	,115	,086	,899	,370
Security	,074	,102	,065	,719	,473
Enjoyment	,097	,096	,092	1,008	,316
Merchandize	,215	,123	,177	1,755	,082
Fulfillment	,397	,107	,377	3,720	,000
Social media(i)	,103	,059	,129	1,729	,086
Social media (e)	-,051	,055	-,063	-,920	,359

a. Dependent Variable: Satisfaction

## 7.3.3 Regression between cognitive(controllable) and satisfaction

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,227	,376		,603	,547
Usability	-,046	,112	-,043	-,413	,680
Interactivity	,150	,111	,125	1,347	,180
Security	,085	,103	,075	,832	,407
Enjoyment	,103	,097	,098	1,062	,291
Merchandize	,245	,118	,201	2,079	,040
Fulfillment	,389	,107	,368	3,618	,000

a. Dependent Variable: Satisfaction

## 7.3.4 Regression between cognitive(uncontrollable) and satisfaction

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	3,146	,271		11,626	,000
Social media (i)	,271	,066	,345	4,112	,000
Social media (e)	-,047	,068	-,058	-,688	,493

a. Dependent Variable: Satisfaction

## 7.3.5 Regression between significant factors and satisfaction

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,497	,342		1,454	,148
Merchandize	,293	,108	,247	2,706	,008
Fulfillment	,444	,093	,421	4,785	,000
Social Media (i)	,109	,056	,137	1,944	,054

a. Dependent Variable: Satisfaction

# What makes customers stay loyal

## 7.3.6 Regression analyses final model cognitive factor and satisfaction

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,604	,341		1,771	,079
Merchandize	,349	,105	,295	3,318	,001
Fulfillment	,450	,094	,426	4,799	,000

a. Dependent Variable: Satisfaction

## 7.3.7 Regression between cognitive and trust

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,284	,359		,789	,431
Usability	-,012	,103	-,013	-,115	,908
Interactivity	,275	,105	,264	2,619	,010
Security	,095	,094	,095	1,011	,314
Enjoyment	,183	,088	,199	2,065	,041
Merchandize	,335	,113	,315	2,973	,004
Fulfillment	-,022	,098	-,024	-,229	,820
Social media(i)	-,048	,054	-,069	-,877	,382
Social media (e)	,025	,051	,035	,485	,628

a. Dependent Variable: Trust

## 7.3.8 Regression between cognitive(controllable) and trust

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,319	,341		,935	,352
Usability	-,007	,102	-,007	-,067	,947
Interactivity	,254	,101	,244	2,520	,013
Security	,089	,093	,090	,958	,340
Enjoyment	,180	,088	,196	2,048	,043
Merchandize	,321	,107	,302	3,000	,003
Fulfillment	-,018	,097	-,020	-,187	,852

a. Dependent Variable: Trust

## 7.3.9 Regression between cognitive(uncontrollable) and trust

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	2,894	,243		11,917	,000
Social Media (i)	,149	,059	,218	2,516	,013
Social Media €	,028	,061	,041	,468	,640

a. Dependent Variable: Trust



# What makes customers stay loyal

## 7.3.10 Regression between significant factors and trust

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,404	,329		1,230	,221
Merchandize	,350	,088	,331	3,988	,000
Interactivity	,289	,095	,277	3,051	,003
Enjoyment	,195	,080	,213	2,435	,016
Social Media (i)	-,046	,052	-,067	-,878	,382

a. Dependent Variable: Trust

## 7.3.11 Regression analyses final model cognitive factor and trust

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,391	,328		1,194	,235
Merchandize	,331	,085	,312	3,897	,000
Interactivity	,268	,091	,257	2,927	,004
Enjoyment	,200	,080	,217	2,494	,014

a. Dependent Variable: Trust

## 7.3.12 Regression analyses between affective and conation and action

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	,585	,319		1,833	,069
Trust	,403	,102	,322	3,946	,000
Satisfaction	,458	,089	,422	5,173	,000

a. Dependent Variable: Loyalty

## 7.3.13 Regression analyses between Satisfaction and Loyalty

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	1,163	,299		3,886	,000
Satisfaction	,668	,075	,615	8,927	,000

a. Dependent Variable: Loyalty

## 7.3.14 Regression analyses between Trust and Loyalty

Coefficients<sup>a</sup>

	B	Std. Error	Beta	t	Sig.
Constant	1,285	,316		4,059	,000
Trust	,720	,089	,575	8,040	,000

a. Dependent Variable: Loyalty